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THE INDEPENDENT

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MONDAY 25 NOVEMBER 1996

WEATHER: Chilly, some rain (R45P) 40p

The Tabloid

Network
pages of IT jobs
pages 9 to 22

Comment

Budget secrets
revealed Sir George
Parr interviewed page 15

The Tabloid

Waking up with
Roddy Doyle
page 3

Sunday driver takes the motor for a quick spin in the country



Robbie Head and his co-driver, Bryan Thomas, roll after hitting a stump yesterday in the Chatsworth House stage of the British Network Q RAC Rally. Both were unhurt. Sport, page 20

Photographs: Claire Mackintosh/EMPIOS

Clarke sent into the lions' den



Troubleshooter: Kenneth Clarke outside his Nottingham home yesterday. Photograph: Steve Hill

Colin Brown
Chief Political Correspondent

John Major last night surrendered to growing Tory backbench anger over Europe by sending Kenneth Clarke, the Chancellor, to make an unprecedented statement to the Commons today in an attempt to placate the MPs and focus attention on tomorrow's Budget.

The next seven days – with the Budget and announcements on public expenditure including increases in spending on health, schools and the police – will be the most important in Mr Major's strategy for winning the election against all the odds.

He yesterday telephoned Mr Clarke to ask him to step into the lion's den to rescue the Budget strategy, in spite of a mauling which he can expect from Euro-sceptics. But the mishandling of his own back bench has further diminished Mr Major's authority, according to critics. "It's a classic bit of Major inaction – he marches them up to the top

of the hill, and leaves it to Ken Clarke to march them down again," a leading Tory Euro-sceptic said.

In a further climb-down, the Prime Minister will meet the chief whip Alastair Goodlad today to agree a date for the debate on Europe which the Tory MPs were demanding, probably over two days before the European summit in Dublin in mid-December. But some of those who had been the loudest in calling for the debate last night said that hardly mattered.

By securing the statement by the Chancellor, 24 hours before he delivers his Budget package, the backbench Tory MPs had made their point to Mr Major that they have to be listened to.

That point will be reinforced tonight when Mr Major meets the leaders of the 1922 Committee, Sir Marcus Fox, Dame Jill Knight, and Sir Geoffrey Johnson Smith. There is likely to be a concerted effort to smooth over the row, but the message they were asked to take to

the Prime Minister by the executive of the 1922 Committee of Tory MPs went further than the immediate row over Europe. They were told to tell Mr Major of the unrest in the ranks over Europe and a wide range of blunders which have damaged morale, including the mishandling of the ban on heavy calibre handguns.

The Chancellor today will seek to reassure the more than 100 Tory backbenchers who last week signed a protest motion in the Commons that he will not make any binding agreements at the meeting of European economic ministers next Monday that would undermine Britain's opt out from a single currency. He will be reiterating the assurances he gave in a letter to all MPs sent out last Friday by the Treasury.

A Treasury aide said Mr Clarke wanted to "correct misleading reports" over the weekend about leaked European documents which the Euro-sceptics claimed had undermined their concern about Britain's partners seeking to impose

finer on countries outside a single currency. Mr Clarke will flatly deny those claims, and he will be open to questions for about half an hour in the chamber.

Sources close to John Redwood, the former leadership challenger, said: "We regard this as a victory. This is what we wanted all along. We wanted the Chancellor to come to the House and explain his action and to make it clear that the stabilisation pact will have no implications for the domestic control of Britain's economy."

By acting now, the Prime Minister has removed any threat of an attempt to bring down the Government before Christmas, although the Ulster Unionist leader, David Trimble, reserved the right to vote against the Government on issues such as fish quotas and the ban on beef exports.

Mr Trimble denied a weekend report that he had done a deal with Mr Major to reject Sinn Féin demands for entry into the peace process in

return for a guarantee to prop up the Tories. The shadow Chancellor, Gordon Brown, accused the Government of "chaos and disarray" after Ian Lang, the President of the Board of Trade, suggested there could be an emergency debate next Friday before it was disowned by Downing Street sources. "They could not run a bath," was the caustic comment by Tony Blair's office.

Philip Oppenheim, one of the Chancellor's junior Treasury ministers, defended the Government but distanced himself from the leadership, telling *Express* on BBC1's *Breakfast with Frost* yesterday: "I am a Euro-sceptic. I am not in the same league as you, but I would find it totally unacceptable if the Government were trying to commit ourselves to European economic and monetary union."

Benefit cuts, page 2
EMU, page 10
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Clarke's hat trick, page 19

QUICKLY

Kidnap victim freed
Police officers armed with stun grenades yesterday raided a Hertfordshire hotel where Craig Allee, 21, was being held hostage by a gang. The kidnappers, who had taken Mr Allee from his home in Merseyside on Saturday morning, had demanded a \$51,000 ransom from his father. Page 15

Dickensian Britain
Health visitors report widespread child malnutrition, excess, fuel cut-offs and 19th-century living conditions among Britain's poor. TB has been on the increase in poor areas since 1988. Page 8

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Dear Ken, a quiet word in your ear from four former Chancellors ...

Donald Macintyre
Chief Political Commentator

Can Chancellors win elections by being prudent? Did Reginald Maudling's electioneering "dash for growth" budget actually help the Tories to defeat in 1964? And did Roy Jenkins' austere and orthodox budget all but win it for Labour in 1970?

If you believe the exclusive club of ex-Chancellors, then the answer to all three questions is yes. They all recommend that Ken Clarke resist the temptation of a big tax giveaway tomorrow.

According to Lord Jenkins, the Chancellor should apply "a slight touch of the fiscal brakes. If he thinks he's stimulating, he'll do just that," he says. Lord Jenkins gave away about £200m in 1970 – the equivalent of around £1.5bn now.

He admires Mr Clarke for publicly resisting the "vulgar" demand for deep pre-election tax cuts and says he is as good a Chancellor as this government will allow. But he thinks to-



tomorrow's Budget will be "a compromise between the responsibility that most members of the Cabinet want and what I am advocating."

The most extreme advice – to raise taxes other than income tax by a net £50m – comes from Lord Healey (1974-79), who has more than a sneaking regard for Mr Clarke. (And scarcely any for John Major. "What do you do if you see a pin flying through the air? Look for John Major with a hand grenade in his mouth.") Mr Clarke reminds the old bruiser "very much of a fellow called Denis Healey. He's got many of Healey's strengths and many of his weaknesses. I used to blurt a lot though I didn't make silly

mistakes like thinking that Consent still produces steel."

The 1978 Healey budget was designed as a pre-election one and he vainly advised Lord Callaghan to go to the country in that year. It put £2.5bn – or £5bn in current values – over a full year into the economy.

But Lord Healey cautions Mr Clarke against doing anything similar. "His biggest problem, the one blot on his copybook, is this tremendous deficit. Anything he does which is responsible will repay him. He can cut our deficit without stopping activity."

Lord Healey wants the abolition of tax breaks for Profit Related Pay, and of Mortgage Interest Tax Relief – a relief which he says "is very difficult

to justify", particularly as the housing market is on the move.

He wants increased taxes on North Sea Oil and more taxes on petrol "which are very much needed for environmental reasons as well as for money". And he wants to end the "imputation system on dividends". Asked what on earth that is, Healey replies with all his old bluntness: "Look it up." (It turns out to be a relief on advance tax paid by companies on dividends, held to encourage firms to distribute profits rather than use them for investment.)

Even Lord Howe (1979-1983) – judged by Edmund Dell, the most recent historian of post-war Chancellors, as the most outstanding – allowed

himself a bit of a spending spree before the 1983 election. But Lord Howe sums up his advice with just nine words: "Ken should go for virtue, not for vote-purchasing."

Norman Lamont (1990-93) also recommends a "tight budget", adding: "He has to be cautious. There are two risks. On borrowing, there were good figures for last month but the trend of the PSBR has been disappointing."

The other problem is inflation. Like all the others Mr Lamont believes the priority is to keep the recovery going without having to hike interest rates up to unacceptable levels. And that means a "tight" budget. Mr Lamont adds: "Inflation has increased. If it's a choice between maintaining interest rates on the one hand or putting them up and cutting taxes on the other then I think maintaining interest rates should be the priority."

So, caution all round. It all goes to show that there's no-one so prudent as an ex-Chancellor.

British women swam from hijack plane

Moroni, Comoro Islands

Two British women, Katherine Hayes and Elizabeth Anders, told yesterday of their escape from the hijacked Ethiopian Airlines plane which crashed into the Indian Ocean off Grande Comore, the main island of the Comoro Islands.

They suffered only slight injuries when the Boeing 767 dived into the sea and broke up in the middle, killing more than

100 of the 175 passengers and crew. Ms Hayes, 30, faxed news of her safety, saying: "I was able to undo my seat belt and swim up to the surface."

The women, both in the music business and from the Surrey-London area, had decided to take a year out to see the world. They were among 52 survivors of the disaster. The Foreign Office in London said eight Britons were on board the plane. The fate of the six oth-

ers was not known but one of the Britons feared dead in the crash was Andy Meakins, 43, from Beckenham, Kent, who works with the Christian charity Tear Fund in Addis Ababa.

Rescuers have recovered 67 bodies, leaving 36 others presumed dead.

The British women and some of the other survivors were flown to the neighbouring island of Reunion last night.

Rescue workers yesterday continued to pull bodies from

the wreckage. The airliner ran out of fuel and plunged into the sea on Saturday afternoon after hijackers baited the pilot for the controls.

The hijackers commandeered Flight 961 shortly after it took off from the Ethiopian capital, Addis Ababa, on a flight to Abidjan, Ivory Coast with stops in Nairobi, Kenya; Brazzaville, Congo; and Lagos, Nigeria.

The co-pilot, Yonas Mekuria, said that the three hijackers re-

fused to allow the pilot – who is among the survivors – to land at the airport in Moroni, capital of the Comoro Islands about five miles from the crash site, even though he was insisting the plane was running out of fuel.

A leading African television cameraman, Mohamed Amin, was among the passengers who died. Amin, 53, of Reuters Television, won acclaim for bringing Ethiopia's disastrous 1984 famine to the eyes of the world.

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news

significant shorts

Prize butcher linked to food poisoning

Twenty-five people aged from two to 90 have been admitted to hospitals after an outbreak of food poisoning in central Scotland linked to meat from an award-winning family butcher.

At least five of those admitted to hospitals in Lanarkshire attended a special lunch for the elderly, organised by Wishaw Old Parish Church on 17 November.

The lunch included steak pie bought from John Barr & Son in Wishaw, a butcher awarded the title Scottish Butcher of the Year in September and used by the church for many years.

Public health experts have blamed the outbreak on the bacteria *E. coli* 0157 which they have linked to cold and cooked meats prepared by Barr's butchers.

PC recovering after surgery

A policeman underwent an emergency operation to reconstruct his face yesterday after being kicked while trying to break up a fight at a 50th birthday party at a hotel in Weybridge, Surrey.

PC Pat Bower suffered four fractures to his cheekbone in the incident, which happened in the early hours of yesterday morning. Two other officers were injured. Five people, four from the same family, were under arrest yesterday.

Silicon alley cats tagged

Microchip technology is among the weapons in use as the Army and RSPCA join forces to promote pet welfare at a military base.

A campaign is being launched at Catterick Garrison, North Yorkshire, where there is a particular problem with stray pet cats. It will involve grain of rice-sized microchips being inserted under the skin of the animals, enabling them to be reunited with their owners. The campaign will involve leafleting, visiting schools, and having displays at strategic places.

Workers gain little from early retirement

Many workers who take early retirement feel it was a "disaster", according to a report published yesterday.

A third of those questioned said they had been given some choice before taking early retirement and 13% had left for health reasons. But 14% said taking early retirement was a "disaster", a survey of staff in seven large organisations by the Institute for Employment Studies found. The workers reported worse-than-expected difficulties in finding new employment.

Mellor puts the boot in on air

The Football Association last night accused Conservative MP David Mellor of "bully-boy tactics" after the former National Heritage secretary turned an interview about the new England kit into a public inquisition.

FA commercial director Phil Carling was invited on to Mellor's Radio 5 Live 606 show to talk about the decision to launch the new England strip in January, just a few weeks after Christmas. But Mr Carling found himself accused of "treating fans like idiots" as he tried to argue his case. Mr Mellor angrily accused the FA of ripping off fans.

West moved to new prison

Mass murderer Rosemary West has been temporarily moved to London's Holloway Prison. She had been in the top-security Durham Prison since her Winchester Crown Court conviction more than a year ago on 10 counts of murder.

Single winner scoops lottery

One ticket scooped Saturday night's £11.7 million National Lottery jackpot. The numbers were 16, 33, 34, 43, 46, 49 and bonus ball was 47.

Hope of renewed Irish ceasefire fades

Unionists talk down optimism by nationalists. David McKittrick reports

Irish nationalist optimism that a renewed IRA ceasefire might be on the cards yesterday stood in stark contrast to pessimistic assessments from sources within the Government, security circles and the Ulster Unionists.

The SDLP leader John Hume raised hopes in a series of interviews by declaring that a major opportunity existed to achieve lasting peace. But on the security side, sources said their indications were that the IRA was now preparing for further violence.

These varying critiques, apart

from reflecting a huge cultural and political gap between Westminster and Ulster, have created two different schools of thought. One is that another ceasefire is only a matter of time, and could well come before Christmas; the other is that the future holds just war.

Sinn Féin leaders said that a package of "reasonable and realistic" proposals had been conveyed in John Major's six weeks ago. But the outlook from the Government side was one of heavy scepticism concerning republican intentions.

Reportedly, Mr Major will soon issue a statement responding to the republicans' proposition, and clarify, in response to a Unionist request, the issue of how Sinn Féin could gain entry to the peace talks. According to Unionist sources, Mr Major was asked by the Ulster Unionist leader David Trimble to spell this out

when the two met in London last week. Unionist sources insisted that there was no basis for a report that a deal had been done involving Mr Trimble promising support for the Government in a vote of no confidence.

Mr Trimble yesterday said the chances of a new IRA ceasefire were extremely remote: "The current talk of peace is merely camouflage behind which their preparations for violence are

because of the numbers game at Westminster."

On Saturday, more than 300 Sinn Féin delegates debated "conflict resolution" issues at an all-day meeting in Athboy, Co. Meath, in the Irish Republic. Before the meeting Sinn Féin's Martin McGuinness said he would move "heaven and earth" to ensure there was a peaceful climate for any negotiations.

Afterwards, he and other republican leaders insisted the initiative lay with Mr Major and called on the Prime Minister to respond to their proposals.



Fleece patrol: Sheep in the Yorkshire Dales seeking shelter from blizzard conditions sweeping the north of Britain yesterday

Photograph: PA

French asked to help British lorries

Mary Dejevsky
Paris
and Charlie Bain

The Department of Transport urged the French government to help with compensation claims made by British truckers caught up in the seven-day lorry drivers' strike across the Channel.

Hundreds of UK lorry drivers have been trapped in France since the dispute began last Monday and it is feared that many of the smaller British haulage companies may be ruined by the cost of cargoes rotting after being stranded.

Sir George Young, the Secretary of State for Transport, wrote to his French counterpart Bernard Pons over the weekend to ask for urgent information on how the British truckers should make their compensation claims.

In his letter, Sir George said: "I hope that the relevant French authorities will take all necessary steps to ensure the well-being of British drivers, particularly if the weather, or the mood of the French strikers, worsens."

Talks between the employers and lorry drivers' trade unions recommenced yesterday evening in the presence of a government-nominated mediator, Robert Cros. Mr Cros chaired the road transport conciliation committee until 18 months ago. In a statement, the transport ministry said: "The state, in so far as it has the power, is determined to play a full part in bringing about an agreement."

The government, which had tried to keep out of the dispute, is said to be under strong pressure to produce a settlement. Almost three-quarters of French people are on the side of the lorry drivers, according to an opinion poll by the Ipsos polling organisation. Of those asked, 74 per cent said they sympathised with the strike; 67 per cent said they thought the demands of the lorry drivers were "justified" or "more justified than not". Only 59 per cent, however, approved of the methods being used by the lorry drivers to pursue their case.

In England, angry MP's accused the former Labour leader Neil Kinnock, the European Union Transport Commissioner, of failing to act to rescue the stranded British truckers. They said that no leadership was being shown to end the dispute and the issue is set to be raised again in the Commons this week.

David Shaw, the Conservative MP for Dover, said that a number of haulage companies in his constituency had been badly affected. "I am now involved in discussions with them as to whether I should go to France and have a stand-up row with the French police," he said.

Sir Teddy Taylor, the Conservative MP for Southend East, said: "This is an intolerable situation... If Mr Kinnock cannot do something about this in exchange for his excessive salary, why do we need commissioners at all?"

Lone parents' benefits to be sacrificed for tax cuts

Colin Brown
Chief Political Correspondent

Lone-parent benefits of £5.20 a week are to be scrapped for new claimants in spending cuts on the welfare state to make way for tax cuts in tomorrow's Budget by the Chancellor, Kenneth Clarke.

It will be defended as a move to bolster family values by Peter Lilley, the Secretary of State for Social Security, in a debate on welfare benefits on Thursday. Abolishing the premium payments will save £270m a year.

The City believes Mr Clarke has enough to cut taxes by 3p in the pound as reported in *The Independent* on Saturday, but he is likely to direct some of the additional revenue to slashing the public-sector borrowing requirement.

Whitehall sources are predicting an "imaginative" Budget, which could see rises in duty on "alco-pops" to curb under-age drinkers, and on tobacco, but help for the beer industry to combat illegal cross-Channel imports of cheap beer. Spending on health, schools and the police will increase, but there will be deep cuts in spending on road building, grants for housing-association house building, and the welfare budget will hear the brunt.

The uprating of benefits to be announced on Thursday will be triggered by inflation in September, which means benefit increases will be lower than the current retail price index.

Mr Lilley is expected to announce the lone-parent premium will be frozen for all those now claiming. The separate one-parent benefit, worth £6.30 a week, is likely to escape being frozen but will be merged with child benefit next April.

One million lone parents who claim income support will continue to receive the additional £5.20 top-up through lone-parents' premium. Last year Mr Lilley announced it would be frozen, and Whitehall sources confirmed yesterday that abolition was in line with his plans.

The cuts in lone-parent support were attacked as "short-sighted" last night by Labour. A spokesman for Harriet Harman, the shadow Secretary of State for Social Security, said it would make the plight of lone parents worse and do nothing to help them to get work.

A report in the *Independent* on Sunday yesterday showed that 3 out of 10 children were being born into poverty.

"It is going to make matters worse, and it will increase the

poverty trap," said Ms Harman's aide. Ms Harman is proposing the transfer of benefits to produce more child care support to allow lone parents to go to work and get off benefit.

The Budget cuts will include a pledge to carry out a crackdown on social security fraud leading to savings of £1bn. But ministerial sources admitted that it cannot be achieved by the action which is promised in the Fraud Bill due to be debated in the Commons today.

The Bill gives the authorities the power for the first time to compare inland revenue tax returns and VAT returns with claims for social security benefits, such as housing benefits, which are subject to organised crime.

Leak reveals road-plans axe

Steve Boggan
Chief Reporter

Kenneth Clarke has been asked to use tomorrow's Budget to announce the cancellation of up to 95 road-building schemes because current funding would prevent many of them being completed within 30 years.

In a confidential briefing document leaked to Friends of the Earth, one of the Government's most senior transport advisers tells ministers that the timescale required for the programme would be "intolerable" unless projects are cut.

Among the 95 projects that could be affected are 26 motorway widening schemes, a

third Thames crossing at Blackwall, east London, and bypasses in Bedford, Stamford, Disley and Shipley.

Friends of the Earth said the cuts would deprive thousands of people whose homes are blighted, but it criticised the way they were to be dressed up as good news. The briefing paper was sent to Sir George Young, the Secretary of State for Transport, and John Watts, infrastructure minister.

Appalling the way Mr Clarke announced the cancellation of 77 schemes in last year's Budget, Hugh Wenban-Smith of the national roads division of the Department of Transport says in the paper

that, until 1995, cuts in the road programme were "inevitably perceived as bad news".

Last year, however, "we took great pains to issue the results on Budget day, and with considerable success: the department as such was not blamed for the very substantial cut-back. Officials propose that we should deal with this year's announcements in the same way."

It shows that government "Design, Build, Finance and Operate" (DBFO) schemes, in which private contractors build roads which are in effect leased by back to the Government over a long period, are more costly than traditional schemes paid for by borrowing.

On current plans, including DBFOs, Mr Wenban-Smith writes, "the main programme... would take about 30 years to complete, which would be too long to be defensible. This assumes conventional funding; if more schemes were taken forward as DBFOs, it would take longer because DBFOs require additional funding in interest and VAT payments."

As well as listing schemes recommended for cancellation, the document ranks others by importance, leaving the way for a further 96-103 to be cut.

Roger Higman of Friends of the Earth estimated the cuts could save the Government between £3bn and £4bn.

MP accuses Blair staffer of dirty tricks

Anthony Bevins
Political Editor

A member of Tony Blair's staff has been accused of assisting in a "poisonous" dirty-tricks operation against a Labour MP. The charge was made by Brian Sedgmore, MP for Hackney south and Shoreditch, falsely identified by a member of the Blair press team as "Cassandra", who attacked Mr Blair in the left-wing *Thorne*.

Evidence of the smear was given by Sedgmore last week by Andrew MacKinlay, MP for

Thurrock, after Mr Sedgmore dropped the matter "in the interests of party unity".

He is considering a defamation action against Hilary Coffman after she suggested he fitted the Cassandra profile. She denied the charge yesterday.

"Andrew MacKinlay contacted Tony Blair's office... He wanted to assure us he wasn't Cassandra. I told him that we had no idea who Cassandra was, had never heard Andrew's name mentioned in this context, and... the only calls we had received were from journalists

suggesting it might be Brian Sedgmore. At no stage did I suggest it was Brian Sedgmore. Mr MacKinlay seems to have got the hold of the wrong end of the stick," she said.

In a letter to Mr Sedgmore on Wednesday, Mr MacKinlay said he had been approached by two journalists asking if he was the author. He called the leader's office to make sure Mr Blair was told he was not responsible for the attack, which said Mr Blair could face a coup within months of being elected prime minister.

"I was put through to Hilary Coffman...," Mr MacKinlay said. "When I told her my purpose for calling, she said, 'Well, I must tell you, Andrew, that you don't feature on the list of suspects.' She then went on to suggest that the most probably person who might be Cassandra... is Brian Sedgmore."

I went on to remark that I thought this was unlikely and... I said 'He was never on the front bench,' to which Hilary responded, 'Ah, but we've looked and he was a PPS [Parliamentary private secretary] during the time of the

last Labour government.' That was basically the extent of my conversation with the leader's office."

Mr Sedgmore wrote to Mr Blair on Thursday, saying he was "dismayed" by subsequent information provided by Mr MacKinlay. "I now understand that Hilary Coffman... was not the only person amongst your aides involved in this poisonous affair," Mr Sedgmore (tel: 0181 411 1111) said. "It looks like a dirty-tricks operation to damage an innocent Labour MP, using your name to do so."

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news

Gangland mocks as killers of a fearless journalist go free on Dublin streets

Alan Murdoch
Dublin

Five months after the Dublin government promised to track down the murderers of crime reporter Veronica Guerin, one has yet been charged with ordering or carrying out the shooting. Garda sources have warned privately that lack of forensic evidence linking suspects with her shooting on 26 June has reduced the chances of a successful prosecution.

Not the less, some gardai are reported to have identified Ms Guerin's killer and his accomplice who drove a motorbike. One suspect is said to be hiding in England, the other in Spain. A motorbike found in the river Liffey is believed to have been used by the killers.

Detectives have also succeeded in generally disrupting crime. Drug importing and the tobacco smuggling associated with suspects for the murder have come under scrutiny. By this week, 131 people had been arrested and questioned, 276 searches carried out, and drugs and £600,000 cash seized.

The investigation has curtailed a gun-for-hire operation, with more than 100 illegal guns seized in a sweep that has yielded a sophisticated laser-sight automatic shotgun along with rifles and pistols.

One site, searched repeatedly by gardai, is Dublin's St Vincent's hospital boilerhouse, where a military assault rifle and a hand-gun were found hidden in an air-vent. Property has been seized by the newly-formed Criminal Assets Bureau, which targets criminals seldom in personal possession of drugs.

The significant development has been the arrest of Paul "Hippo" Ward, 32, an unemployed man of Windmill Park, Crumlin, south Dublin. Last month he was charged with sheltering Guerin's killers after the attack and with taking part in the conspiracy to murder her.

The Garda commissioner has rejected suggestions that Ms Guerin was killed after discovering links between leading criminals and certain gardai. However, a garda from Tallaght, south-west Dublin, was last month charged with accepting a bribe and perverting the course of justice. John O'Neill, 32, resigned from the force when arrested.

That the assassination of a nationally-known figure and one-time researcher for the taoiseach was contemplated at all, speaks volumes about Dublin gang leaders' swaggering sense of invulnerability. It does not help that police effectiveness has been seen to have weakened.

One suspect is said to be hiding in England, the other in Spain

Critics of the Garda complain that Dublin's meagre specialist drug squad of 15 officers was disbanded last year. "There is now no full-time operational drugs squad in Dublin," said Chris Finnegan, national secretary of the Garda Federation. Last year that job was handed to local stations, backed by a national drugs intelligence unit.

Criminal morale must also have been raised by early releases from prisons forced by overcrowding, and by a tortuously-slow summons system which, from 1993, allowed the release of serious criminal suspects while the Director of Public Prosecutions determined whether to bring charges. In addition, 1,000 offenders are illegally at large after breaching temporary release terms or jumping bail.

The Garda is 1,250 officers

short of its approved strength of 12,000. Only 42 per cent of gardai are in the greater Dublin area, which accounts for two-thirds of the country's crime. A new Garda commissioner, Pat Byrne, who has a background in combating the IRA, was appointed during the summer. Guerin's killing ended discussion of appointing a civilian head of the force.

The new commissioner's first public initiative in September, Operation Docas (Hope), increased numbers of uniformed gardai on street patrol as a deterrent to drug dealers.

For reasons which are as yet unclear, this move has coincided with a fall in inner-city crime. The drop may also be related to the angry marches by residents during the past 18 months, in south inner-city Dublin and south-west satellite areas, as the addict population has soared with falling heroin prices.

Some politicians suspect Operation Docas has been launched partly to reassert the primacy of the Garda against a challenge by "vigilantes". Demonstrations have demanded tougher Garda action against drug dealers, and pushed for the eviction of dealers, a policy adopted by local authorities.

Last month, a cabinet committee measures to reduce demand for drugs, allocated £14m to anti-drugs projects and to improving conditions on housing estates. Its report warned that there could be up to 8,000 addicts in the greater Dublin region.

Some other initiatives, however, have been criticised as reactive and lacking calculated strategy. For instance, a government referendum on Thursday will, if passed, make the risk that serious offenders could continue to commit crime a legal justification for refusing bail. With a delay until next year in adding an extra 700 prison places this move may simply add to the problems.



Open file: Police in Dublin are still hunting for the killer of the Irish investigative journalist Veronica Guerin

Teacher in battle to end pupils' feuds

Fran Abrams
Education Correspondent

Feuds between gangs of Bangladeshi youths involved in a series of territorial knife-fights have sparked a campaign by a London head teacher for a full investigation.

Home Office and Education ministers are to be approached for help by Peter Brooth, former Conservative Party chairman and South Westminster MP who met the head of one of his local schools to talk about the issue last Friday.

Rivalries between groups of Bangladeshi youths from different areas of London have spilled over into violence, according to Michael Marland, the head of North Westminster Community School.

He says that although only a small number of boys are involved, the problem is growing. The boys' low attainment at school and a lack of facilities for them has created the potential for further trouble, he believes.

Fights have broken out between teenagers from the Brick Lane area, in east London, and Drummond Street, Lisson Green and Harrow Road, north London. Knives and other weapons have been used.

Although Mr Marland says discipline is good at his school, where a quarter of the pupils are Bangladeshi, he says there is a substantial anecdotal problem of a small but growing crime problem among boys from the community.

"We have very good behaviour in school but we also want to make sure that the streets of London are safe. The Bangladeshi community have huge strength ... and they are very caring parents, but they need help because of their position in London society," he said.

Mr Marland has raised funding from the Gulbenkian Foundation to employ two part-time Bangladeshi youth workers to interview boys about their attitudes and concerns.

The research is being administered through the Marylebone Bangladeshi Association. Its project co-ordinator, Abdul-Aziz Toki, said: "Teenage boys ... can't always judge what is good and what is wrong."

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Archaic blasphemy law faces last judgment

Patricia Wynn Davies
Legal Affairs Editor

The fate of the archaic law of blasphemy will be sealed today when European judges decide whether British film censors broke the freedom of expression guarantee by banning the depiction of a man embracing a crucified Christ.

Blasphemy law is so discredited that the Government has said it would not enforce it. But that did not stop it backing the British Board of Film Classification and its director James Ferman all the way to the European Court of Human Rights, after Nigel Wingrove's video *Visions of Ecstasy* was refused a certificate almost seven years ago to the day.

Apart from quashing the ban on the Wingrove film, a ruling against the Government would lead to the abolition of an old law which excludes Roman Catholics, Methodists, Muslims, Jews or any religion other than the Church of England - and does not apply at all in Scotland.

As high-profile productions like Madonna's *Like a Prayer* video and Martin Scorsese's *The Last Temptation of Christ* (not banned) have come and gone, Mr Wingrove has got on with the tortuous business of complaining to the Strasbourg authorities. He - and presumably the board - and the Video Appeals Committee to whom he unsuccessfully appealed - over imagined that the future



Forbidden images: Stills from the video *Visions of Ecstasy*. A ruling by European judges today on the banning of the video is expected to seal the fate of Britain's archaic law of blasphemy

of the law of blasphemy might turn on the rejection of a 20-minute video by a then complete unknown.

In it, the deep love of Christ of St Teresa of Avila, the 16th century Carmelite nun, is represented by a series of sensual visions, including scenes where she licks his wounds and embraces him on the Cross. Mr Wingrove said: "It didn't enter my head that it could be blasphemous. I wasn't making a film about Christ. I was making a

film about St Teresa." He garnered the support of some churchmen, and Ray Weldon, Marina Warner and Salman Rushdie, who appeared on his

behalf in the Strasbourg proceedings. Ironically, his failure to recoup the costs of the film and thousands of pounds of legal costs led to his current oc-

cupation as a distributor of repackaged erotic and horror movies from the Seventies.

Mary Whitehouse's prosecution of *Gay News* is the only successful case of blasphemy brought since 1922, and at the height of the controversy over the *fatwa* on Mr Rushdie over *The Satanic Verses*, John Patten,

a then Home Office minister, told Muslims that blasphemy law was "inappropriate for dealing with matters of faith". But in relation to film and video, Mr

Ferman and his colleagues have shown themselves willing to deal with such matters - minus the protection of a trial before a jury. The VAC almost never disagrees.

The ruling comes on the same day as the Lord Chancellor, Lord Mackay of Clashfern, represents the Government in a visit to the Strasbourg court. He wants to impress on it the need for member states to be able to manage their own affairs in accord with national character, traditions, religious beliefs and moral standards - the so-called "margin of appreciation".

Two years ago the European Commission on Human Rights accepted arguments from Geoffrey Robertson QC, Mr Wingrove's counsel, that the ban on *Visions of Ecstasy* broke the free expression guarantee in Article 10 of the European Convention on Human Rights. But at about the same time, a majority of the full court ruled in a case involving an Austrian film that the "margin of appreciation" applied - denying viewers the opportunity to make up their minds themselves.

DAILY POEM

Rubaiyat

By Hafez of Shiraz

(translated by Dick Davis)

A black mole graced his face; he stripped, and shame
Incomparable in splendour as the moon;
He was so slim his heart was visible,
As if clear water sluiced a granite stone.

Desire's destroyed by life, what gifts have I
Been given by the blindly turning sky?
And, such is my luck, everyone I said
"Dear friend" to laughed me by and by.

What does life give me in the end but sorrow?
What do love's good and evil send but sorrow?
I've only seen one true companion - pain;
And I have known no faithful friend but sorrow.

My friend, hold back your heart from enemies,
Drink shining wine with handsome friends like these;
With art's initiates let down your hair -
Stay buttoned up with ignoramuses.

Hafez of Shiraz (1320-1389) is the most famous of Persia's lyric poets. His great fame rests on his ghazals, formal poems of up to 18 lines, which are so highly worked and dense in their language and allusions that they are often considered 'untranslatable in the West'. But he also wrote a small number of rubaiyat, four-line stanzas, of which the above are representative. Dick Davis's translation of the best of Persia's medieval short poetry, *Borrowed Ware* (Anvil, £8.95), is a wonderful book, suffused with love, beautifully produced, and with a comprehensive introduction to Persian courtly poetry.

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news

More than half of all new houses will have to be built inside England's villages, towns and cities under new government plans



Country life to be rescued by town cramming

Nicholas Schoon
Environment Correspondent

More than half of all new homes should be built inside England's villages, towns and cities, the Government will announce today in a long-awaited planning document.

The Government hopes this target will reduce the controversy surrounding the need for a 4.4 million – or 23 per cent – increase, between 1991 and 2016, in the number of households in England.

Some planners and house-building firms say that in squeezing so high a proportion of the new homes needed into existing urban areas the Government may create future slums. "Town cramming", they say, will erase much of what urban greenery remains and make towns and cities more crowded

and unpleasant, fuelling the desire to live in the countryside. Planning constraints will make this rural dream attainable for only a tiny, wealthy minority.

But the Secretary of State for the Environment, John Gummer, says the alternative is the disappearance of further great tracts of English countryside. "Suburbia from Winchester to the Thames estuary," is his warning phrase.

Today's planning document will make a strong case for civilised city life – new urban terraced homes with compact gardens on streets rather than the semi-detached houses in space-wasting clothes which the big house-building firms prefer. It will call for the maximum housing use of derelict and contaminated urban land, of empty space above shops and in vacant office buildings.

Nowhere are the fears about house building greater than in Hampshire, where the number of new homes has doubled in the past 45 years and where the space they cover has more than doubled.

The Government has said that the county, and Hampshire's smaller district councils, should identify space for 92,000 new homes between 1991 and 2006; this is deemed its fair share of the rapid nationwide increase in household numbers.

But the county says there is a need for only 82,000 new homes. The Government has the ultimate right to force the county to comply with its higher housing figure, and Mr Gummer has already overruled attempts by Kent, Berkshire and Bedfordshire to plan for lower numbers than the Government proposed for them.

Hampshire plans to accommodate most of the new housing inside towns and villages, in line with the Government's new target, but intends 14,000 homes to be built on four large greenfield areas next to Basingstoke, Andover and the commuter sprawl that has grown up north of Southampton and Portsmouth.

These development areas are a more rational, sustainable option than cramming the new housing into the county's villages and towns equally, or

spreading it around their edges, the county is arguing at a public inquiry into the council's structure plan for development over the next 15 years.

However, Eagle Star, the property and insurance giant, wants planning permission for a "newtown" at Micheldever Junction, in the open countryside between Basingstoke and Winchester.

The company has options to buy extensive farmland there and envisages 8,000 homes in a private-sector "market town" with its own railway station on the London to Southampton line. The county opposes this.

Around all four of the big development areas, country-

side and village dwellers have banded to oppose the big new suburbs. The largest of these developments would bridge the mile-wide gap between Basingstoke and the pretty dormitory village of Oakley, with 4,500 homes.

Gary Rolfe, a self-employed craftsman who leads the Save Oakley Village Action Group (Sovag), said: "It would totally change our village's character, turning it into a suburb." Sovag's car stickers shout: "Say No to Oakleygate".

The influential Council for the Protection of Rural England says much more could and should be done to find space for new homes in cities like

Southampton, which are still depopulating, and so encourage developers to come in.

St Mary's and Bevois Valley, a large inner-city tract east of Southampton's centre, has been earmarked by central and local government for a major regeneration programme. It still has some pretty roads of well-kept private terraced homes, showing its potential.

But it also has the usual urban core problems: derelict industrial sites, deprivation, boarded-up shops and a red-light trade, which the local Asian community resents. In the once-fine Victorian streets.

Only 200 new homes are proposed as part of the regeneration

of an area in which 18,000 live, and most of these are expected to be for people on low incomes and with "special needs". A secure, long-term revival for the area depends on people with jobs and money living there. But, even if homes were to be built for them, they would be unlikely to stay once they had families, because people with children want greenery and space and tend to fear crime and poor standards in local schools.

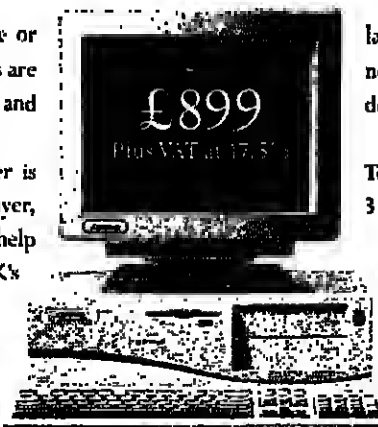
Robert Jones, the planning minister, said that turning the English into a nation of city-lovers was difficult but crucial. "Nobody said it was going to be easy," he said, "but reviving cities are a joy to behold."

Threatened spaces: Three deer running across a tract of open land near Basingstoke, in Hampshire; (inset) inner-city decay in Southampton

Photographs: David Rose

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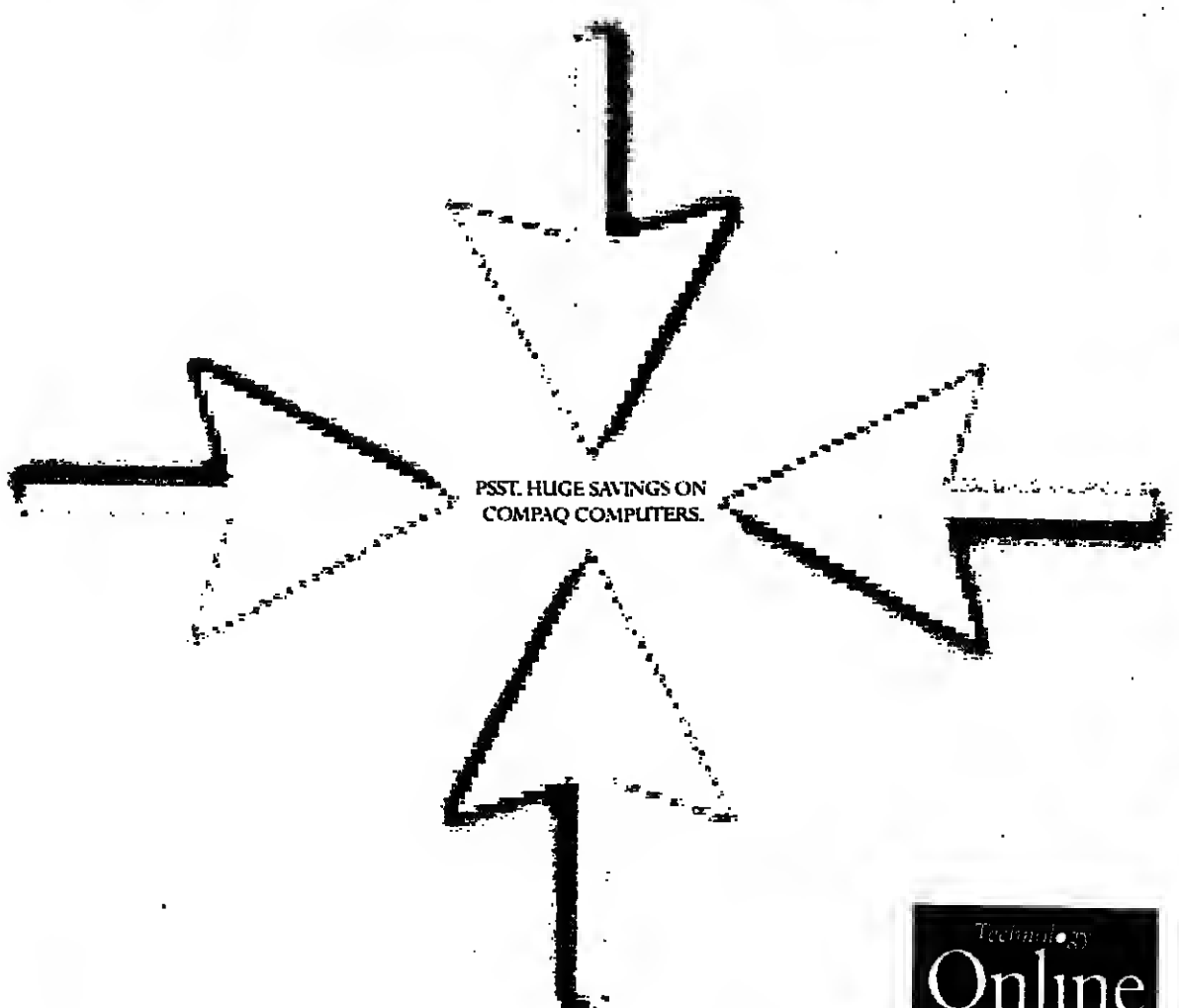
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ALLIED DOMECQ

New party deals left hook to Scargill

His candidate faces by-election rival standing for Socialist Equality

Barrie Clement
Labour Editor

If Tony Blair looks down his political nose at Arthur Scargill's Socialist Labour Party, he will need a lengthy proboscis indeed to contemplate another newly-formed force on the left.

The Socialist Equality Party, which intends to field up to 20 candidates in the general election, is a touch to the left of the organisation formed by the miners' leader.

Indeed, an SEP communiqué sneers at the namby-pamby politics of the Scargill party and of the Trotskyist Militant Labour (a party born out of the Militant Tendency's ultimate failure to infiltrate the Labour Party). Such groups constitute an attempt to build on the discredited and reformist convictions of Old Labour and are

It will engage the middle class. A workers' inquiry will consider mad cow disease

therefore subordinated to the bankrupt trade union bureaucracy, the statements says.

The SEP is to show its disdain for those who would merely tinker with the capitalist system rather than smash it by putting up a candidate against the Scargill man in the Barnsley East by-election next month.

Dave Hyland, the 49-year-old full-time national secretary of the SEP, said: "We don't consider that the SLP is a socialist party." In any case Mr Scargill was defeated in the coal strike because of his failure to mobilise the miners against the Labour Party and the trade union movement, Mr Hyland added.

The new ultra-left force, funded by "the workers and the youth" and based in Sheffield, is unencumbered with sensitivities about the implications of its manifesto for taxation, for the proclivities of the business classes or for the suburban floating voter.

The party wants a 30-hour week with no loss of pay; a £6-an-hour minimum wage; a free

university education for those who want it; a multi-billion-pound programme of public works to provide jobs for the unemployed; mass release of all political prisoners in Britain; abortion on demand; the "dismantling" of the standing army, M15 and M16 and "a democratic government of the workers, for the workers and above all by the workers". An administration to deliver the demands would rely on the "active and militant support of a politically aroused and vigilant working class".

The party, the membership of which is a secret, has a long and fraught history and is the "culmination of a 10-year struggle" by the International Communist Party. In fact it seems the ICP has simply changed its name.

Mr Hyland believes its old name led people to confuse it with the Marxist-Leninist regimes of the old eastern bloc. He argues that the implosion of the Stalinist states was a vindication of the analysis of Leon Trotsky who in 1940 got a Stalinist ice pick in his head for his trouble.

The International Communist Party was born out of the mother of all dialectic disputes which tore the Workers' Revolutionary Party asunder some 12 years ago. The split, which led to at least two organisations calling themselves the Workers' Revolutionary Party, has also to do with a row over whether a serious political organisation should receive money from Colonel Gaddafi. Further, there was the matter of the financial activities of its leader Gerry Healy (deceased) and the fact that he had enjoyed relationships with the young female comrades of a non-revolutionary nature.

One of the other groups which grew out of this bloody fratricide eventually became the Marxist Party of which the Redgraves are leading lights.

Mr Hyland believes his group is the true inheritor of the revolutionary Fourth International established by Trotsky in 1938. But not only will this movement strike a chord with the proletariat, it will also engage the electoral interest of the "pauperised" middle class.

One of the first major gatherings to be organised by the new party will be a "workers' inquiry" into mad cow disease.

Trotsky lives: guide to the far left parties

WORKERS' REVOLUTIONARY PARTY (Mark I): Trotskyist splinter group from old WRP, publishers of *Newsline*.

WORKERS' REVOLUTIONARY PARTY (Mark II): another Trotskyist splinter group from the old WRP. Publishers of the *Workers' Press*. Also uses name of Marxists for a New Party.

MARXIST PARTY: Yet another splinter group from the old WRP. Most prominent members are the Redgraves.

SOCIAL EQUALITY PARTY: Once more a faction of the old WRP. Formerly known as the International Community Party. Claims like other groupings to be the true standard bearers of Leon Trotsky's Fourth International.

SOCIALIST LABOUR PARTY: Hard-left mixture of Old Labour and quasi-revolutionaries. Founded by Arthur Scargill, President of the National Union of Mineworkers.

SOCIALIST WORKERS' PARTY: Trotskyists who famously refused to take sides in the Korean War. Most other Trotskyists reluctantly backed the Communist North Koreans. Leading member Paul Foot.

REVOLUTIONIST COMMUNIST PARTY: Hardline splinter group from the SWP.



Rodent rendezvous: Participants gathering at Hyde Park in London yesterday for the Grand Christmas Parade in aid of Great Ormond Street Hospital. Photograph: Emma Boam

Lawyers strike gold as US firms court young talent

Glenda Cooper

With newly qualified solicitors now able to earn as much as £45,000, legal experts are predicting "salary warfare" in the battle by companies to attract the best young lawyers.

The US company White & Case has recently raised the pay of its solicitors in the London office to bring it into line with the salaries earned by its American lawyers. Legal recruiters, however, say the move will lead to an exodus of talent from the regions where average salaries are much lower, and have condemned White & Case's decision as "aggressive".

The White & Case recruits will be earning £17,000 more than the London average of £28,000. Bernard Nelson, senior partner at White & Case in London, denied the pay-rise was made to poach the best people. "The principal reason was to

reduce the disparity we saw between our English solicitors and our US lawyers," he said. "We are a multinational practice but our US lawyers were being paid on the US scale which was significantly higher than the British one. The lawyers were doing the same work and we felt it wasn't justified."

But Anthony Tomkins, founder of the leading legal recruitment company Charles Fellows Partnership, warned the raise would have a big impact. "You can earn £22,000 in Birmingham if you are a high-flyer," he said. "Then you see your chum in London who can get over double that. There has been an acute shortage of good quality lawyers this year. White & Case has taken a very aggressive stance."

"The increase in prestige and growth of firms outside London means that companies outside the capital now compete

with London-based firms. But paying their solicitors half the London salary is something that cannot be sustained. In the long-term it will have an effect."

Terence Kyle, managing partner of Linklaters and Paine, the UK international law firm

which recruits 120 solicitors each year, said that his firm was paying £28,000. "You can put up salaries to compete, but there is a trade-off. The reality is that White & Case are having to offer an incentive to get the good entrants to join them. On the

other hand, such a large premium over the normal means it is something we will have to give hard thought to," he said.

Melvyn Hughes, executive partner of Slaughter and May, another large City law firm, agreed: "If other American law firms also start recruiting at this level, the City firms may well feel that they have to respond."

But Richard Fleck, responsible for international business at Herbert Smith, one of the main City law firms, said he would be "very surprised" if the big companies followed White & Case's lead. He also warned that new solicitors could find themselves under increasingly harsh pressures of work because of their huge premiums.

But David McNeill, of the Law Society, was anxious to dispel the notion that all solicitors were being given huge pay packets. "The perception is that solicitors make a great

deal of money. Those who do are in a relatively small number of firms. For a newly qualified solicitor, the average across the country is between £19,000 and £28,000.

"But I think it's an inevitable consequence. At the end of the day, all law firms are business-oriented and you have to bring the money in. From the media coverage you might think legal aid solicitors are coming in. In reality, a newly qualified solicitor in a legal aid firm will be lucky to make more than £20,000 for a 55-hour week."

No doubt this news will be a great consolation to the junior hospital doctor earning just £14,880, the schoolteacher on £13,866, and the young police constable notching up £14,916. Even MPs, having negotiated themselves a 26 per cent pay rise this year to £43,000, cannot match - on basic pay - a White & Case solicitor.



Highly rated: UK City lawyers. Photograph: Edward Sykes

Seen a psychiatrist? Don't tell your boss

Glenda Cooper

More than one-third of people with mental health problems have lost their jobs because of harassment and abuse, a survey has discovered.

Nearly 800 people were questioned by the mental health charity Mind on its 50th birthday and revealed that mental health remains "the most enduring health taboo", with those living in the community facing continuing discrimination. In one case, a sufferer received less discrimination when he falsely reported a prison record than when he admitted to having a mental illness.

In the report *Not Just Sick and Stupid*, 34 per cent said that they were forced to resign their jobs or had been dismissed, with the some of the worst cases of unfair discrimination in nursing and social work.

One in five of the people who felt they had been unfairly dismissed from their jobs were nurses, other NHS employees or from other caring professions. Other occupations from which people said they had been unfairly sacked included library assistant, secretarial work, accountancy and journalism.

Nearly seven out of ten had been put off applying for jobs

for fear of unfair treatment and, unsurprisingly, the majority had concealed their psychiatric history for fear of losing their job. "I had a cleaning job for three years, but when I mentioned that I had an appointment with a psychiatrist I received a letter the next week to say my services were no longer required," said a woman who had been diagnosed with agoraphobia.

A 30-year-old man with obsessive compulsive disorder said: "On two occasions I lied when I applied for jobs. On both these occasions I said that my two-and-a-half-year absence from employment was due to a

term spent in prison. I was accepted for the first and short-listed for the second. Whenever I have been truthful about my psychiatric past I have never been accepted for a job."

Life for the mentally ill is equally traumatic at home: nearly half of those surveyed had been abused or harassed in public with 14 per cent physically attacked. A quarter felt at risk of attack within their own home. Several people said they had bad windows broken or stones thrown at them.

Both children and adults ridiculed people in public but the main culprits were usually children.

"The level of discrimination revealed by this report is staggering," said Judi Clements, Mind's national director. "It confirms our worst fears that mental ill-health is most enduring health taboo, but yet one of the most commonly experi-

enced health problems. Despite the fact that one in four people in the UK will have a mental health problem this year, this report uncovers how ingrained, entrenched and debilitating attitudes towards mental ill-health still are."

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Health visitors report child malnutrition, fuel cut-offs and the return of TB

Susan Emmett

Lighting the cooker and leaving the oven door open is the only way that Tracy McCormack can afford to heat the front room of her house in north-west London. The bedrooms are cold and damp, the doors have been taken away because of damage by wood lice and her two-year-old is recovering from pneumonia.

Ms McCormack, 25, a mother of two, is one of the many whose living conditions match those of the 19th century, according to a national survey by the Health Visitors Association. The new study – which follows the revelation in the *Independent* on Sunday yesterday of government figures showing that one in three British babies is born into poverty – was compiled by 500 health visitors and found widespread child malnutrition, poor living conditions and a high number of people struggling with fuel debt and service disconnections.

It paints a bleak picture of families living in overcrowded housing. Nearly three-quarters of health visitors care for families in these conditions and 48 per cent have caseloads including families who have to share kitchens and bathrooms.

The health implications of this hardship read like a passage from Dickens. Nearly one-third of health visitors found tuberculosis among their clients last year. According to the chairman of the British Lung Foundation, Dr John Moore-Gillon, the disease is concentrated in poor areas and has been on the increase since 1988. "Tuberculosis has never gone away. But we are witnessing an increase whereas we expected to see a continuing decrease," he said.

Two-thirds of health visitors encountered iron deficiency among the families they cared for. 95 per cent had to deal with cases of gastroenteritis and 4 per cent reported cases of rickets. The findings also show a high number of households



Hard times: Dickens' Martin Chuzzlewit shows grim Victorian poverty. Today, Cally, two (right), is recovering from pneumonia in the flat her mother, Tracy, cannot afford to heat Photograph: Glynn Griffiths

having their gas, electricity, telephone and water cut off. The majority of these households include children.

Living on less than £80 a week from benefits, Ms McCormack can hardly afford her bills. She only spends £16 a week on food; essential items such as nappies are carefully rationed. Unless she can find £70 overnight, her phone, which takes only incoming calls, will be cut off and she will not be able to communicate with her absent unemployed husband. He left on their fifth wedding anniversary after several rows over money.

But keeping her children warm and the electricity bill low is her greatest worry. Coal at £4

a bag is too expensive for her to consider lighting the fire and she cannot afford to run an electric heater all the time. Her children wear several layers of clothes, but that did not shield Cally, two, from pneumonia. Since the disease sent the child to hospital in an ambulance a year ago, she has regularly revisited the doctors and only recently finished another course of antibiotics.

"Pneumonia is a serious thing," Ms McCormack said. "Having pneumonia as a kid can affect her later on in life. She was so dehydrated they couldn't even get a needle into her veins. I don't think my cold house helped her condition because it starts off as a cold and

just gets worse and worse." Despite her child's continuing illness, Brent council says it can not afford to install central heating in Ms McCormack's home this financial year, although the situation will be reviewed next April.

Jackie Carnell, director of the Health Visitors' Association, is concerned that social conditions in Britain are returning to those of the last century. "It is a tragedy that as we now approach the end of the 20th century, the many improvements in health and welfare are being undermined by the effects of desperate poverty on a national scale."

Leading article, page 13
Polly Toynbee, page 15



Bleak House 1996: The ghosts of poverty past

It is a bleak, dilapidated street, avoided by all decent people; where the crazy houses were seized upon, when their decay was far advanced, by some bold vagrants, who after establishing their own possession, took to letting them out in lodgings. Now, these tumbling tenements contain, by night, a swarm of misery. As, on the ruined human wretch, vermin parasites appear, so, these ruined shelters have bred a crowd of foul existence that crawls in and out of gaps in walls and boards; and coils itself to sleep, in maggot numbers, where the rain drips in; and comes and goes, fetching and carrying fever.

Charles Dickens in *Bleak House*, published in 1853



It is a chilly, dank room even with the faintest flicker of heat that can be afforded – a flame from the oven. But that is still better than the rest of the flat, which gets no heat. It lacks suitably thick walls and even doors to insulate from the winter wind. The children catch colds. The colds turn into pneumonia. £4 for a bag of coal for a fire is too expensive and an electric heater is likewise beyond her means. The local council can't afford to install central heating this year, so she will wait until it can reconsider her case in April. Maybe by then her two-year-old will be over the pneumonia that has kept her under care for the last year.

Life for Tracy McCormack in Harlesden, London, 1996

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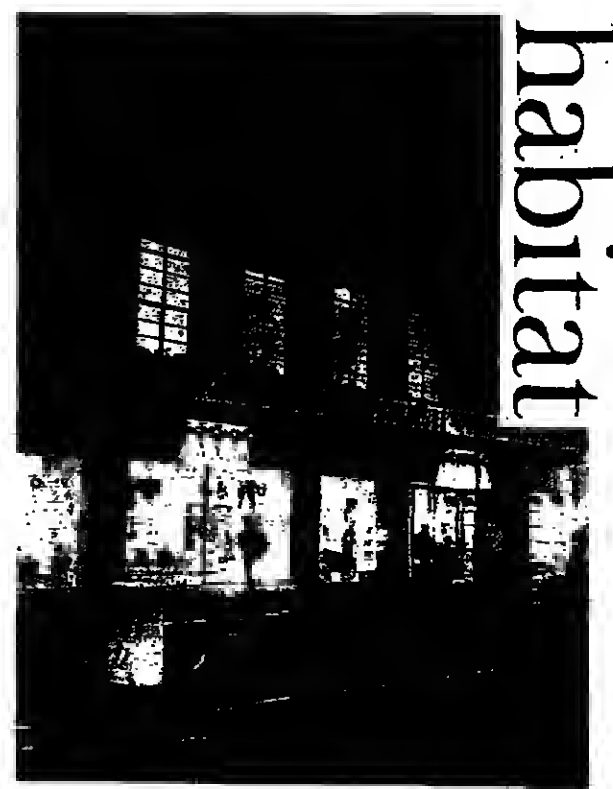
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THE INDEPENDENT
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Talks aim to break Cyprus deadlock

Tony Barber
Europe Editor

Greek and Turkish Cypriot leaders are expected to begin direct talks next spring on a settlement of the Cyprus problem, one of the oldest and most intractable disputes in the world.

The negotiations will include an important mediating role for the British and US governments, which believe that the world must give a much higher priority to solving the Cyprus problem than it has done in the 22 years since Turkey's armed forces invaded and partitioned the island in 1974.

The talks will result in the first face-to-face meeting since 1994 between President Glafcos Clerides, representing the Greek Cypriots, and Rauf Denktaş, the Turkish Cypriot leader. However, neither the Greek Cypriots, who run the internationally recognised government of Cyprus, nor their Turkish adversaries, who control a self-proclaimed state in the northern third of the island, are holding out great hopes for the talks.

Rauf Denktaş: To meet his Greek Cypriot counterpart.

Previous peace efforts, mainly under United Nations sponsorship, have aimed at rebuilding Cyprus as a "bizonal, bicultural federation" in which the Greek and Turkish communities would enjoy civil rights and broad powers of self-government. However, the Turkish Cypriots - backed by Turkey, which maintains 30,000 troops in the north - have insisted for many years that their region, the so-called Turkish Republic of Northern Cyprus, should enjoy sovereign status.

Impatient Greek Cypriot officials say that, if next year's negotiations make no progress they will transform the diplomatic picture by demanding that their part of Cyprus enter the European Union while the Turkish-ruled north is in effect kept out. According to this scenario, the north would not have access to the EU's single market, its aid programmes or other benefits until the Turkish Cypriots accepted the principle that Cyprus must be reunited as a single, decentralised state.

The EU is committed to

starting membership talks with Cyprus six months after the end of the current Inter-Governmental Conference (IGC) on revising the Maastricht treaty. The IGC is likely to end in the middle of 1997, meaning that the EU and Cyprus should start the accession talks in early 1998.

The EU is reluctant to admit Cyprus as a member without a settlement of the island's fundamental constitutional and territorial problems. However, some EU officials say that, if Mr Denktaş refuses to scale down his insistence on Turkish Cypriot sovereignty, then the EU may ultimately have no choice but to bring in the Greek-controlled south on its own.

The immence of the EU membership talks has been a major factor behind the British and US drive to achieve a Cyprus settlement next year. The Foreign Secretary, Malcolm Rifkind, plans to go to Cyprus next month, the first such British visit for more than 20 years.

Britain's special representative for Cyprus, Sir David Hannay, has spent much time in Nicosia recently preparing the ground for direct negotiations. He describes the existing situation as "inherently unstable and incompatible with a solution".

Cyprus has gradually turned into one of the most highly militarised places in the world, with both sides building up forces in a reflection of wider rivalries between Greece and Turkey. Only yesterday, Greece's Defence Minister, Akis Tsohatzopoulos, was in Nicosia, promising Greek Cypriots that, under a 1993 pact, Greece would send fighter jets in response to any future Turkish offensive.

Tensions on the island rose last summer to a peak, when clashes broke out along the UN buffer zone dividing the two sectors. Three Greek Cypriots and one Turkish Cypriot have been killed since August.

Even if neither side is optimistic about the prospects for the talks, there is a sense that the involvement of the US could make a difference. Two weeks before his re-election, President Bill Clinton said he would feel a "personal humiliation" if the Cyprus problem remained unsolved during his second term. The Clinton administration was about to launch a Cyprus initiative at the end of last year, and had earmarked Richard Holbrooke, the architect of the Dayton settlement for Bosnia, as the man for the job. However, the initiative was thwarted by fresh tensions between Greece and Turkey and by political deadlock in Ankara following Turkey's inconclusive general elections last December.

Mr Clinton's National Security Adviser, Anthony Lake, described the problem last month as "one of the world's top 10 outrages".



Face of a nation: A refugee crossing the border into Rwanda at the weekend. International support for a military mission has cooled since thousands of people returned, but there is still disagreement about numbers. Photograph: AP

Zaire military option ruled out

Imre Karacs
Bonn

Western military officials failed to agree yesterday on intervention in eastern Zaire, and their estimate of the number of refugees signalled a rapidly waning interest in the crisis.

After a three-day meeting in Stuttgart, representatives of 29 countries and six humanitarian groups said they had discarded the option of a full-scale military operation, which would have been based in eastern Zaire or on the other side of the Rwandan border.

Participants appeared to accept US estimates of the number of refugees trapped in Zaire. The US, reluctant to launch a big military operation, has counted 250,000 refugees still in Zaire, while humanitarian organisations continue to cite figures up to 700,000.

The meeting endorsed a lower level of involvement, ranging from "assistance" in the distribution of aid to "increased lev-

el of protection and security" for humanitarian relief.

Lieutenant-General Maurice Baril, from Canada, designated to lead any multinational force to help refugees, said the decision to participate in such operations was left to individual governments. "The objectives of such a force would be strictly humanitarian. The force would be politically and militarily neutral," Gen Baril said.

He did not give details of possible forces, including contributions from nations attending the meeting, and said individual governments must now review the mission options.

The talks had dragged on through the weekend as officials tried to agree on the number of refugees as well as the merits and scope of any possible mission.

Support for a planned task force in eastern Zaire has cooled with the return of hundreds of thousands of refugees to Rwanda and the US decision not to commit combat troops.

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international

West bank 'ghettoes' threaten uprising

Patrick Cockburn
Nabliis

Entering Nabliis, the largest Palestinian city in the West Bank, is not easy. The only way to avoid an hour's delay at the Israeli checkpoint on its outskirts is to turn off the road from Jerusalem and drive for over a mile through muddy, newly ploughed fields. At one point, passengers have to get out and ford a stream.

Cantonisation, the sealing of every Palestinian town from its neighbours, has arrived as a permanent policy. Husam Qadr, a member of the Palestinian Legislative Council from Nabliis, says the soldiers at the checkpoints - often just a few men with a Jeep - blocking the three main roads into the city, have "a black book against which they check names. Only one car is let through every five minutes."

Khalil Shikaki, a Palestinian political scientist, in his office in the centre of Nabliis agrees the city is being strangled, in part as punishment for its role in the fighting in September in which six Israeli soldiers were killed. He believes the only Palestinian response to the isolation of their cities, which "is killing social, political and economic life, is massive, non-violent protest".

Nabliis, East Jerusalem and Gaza, the three main Palestinian cities, are all now isolated from each other. Zachariah Mari'er, whose family own a restaurant near the old Kasbah in Nabliis, says: "I have not been in Jerusalem for four years although it is only an hour's drive away." He stretches out his arms to illustrate the gap between what people in Nabliis expected when Israeli troops withdrew last December and what has actually happened.

Unlike most businesses in the city, the Mari'er family's restaurant seems to be doing well, but Zachariah Mari'er said there was no new investment in

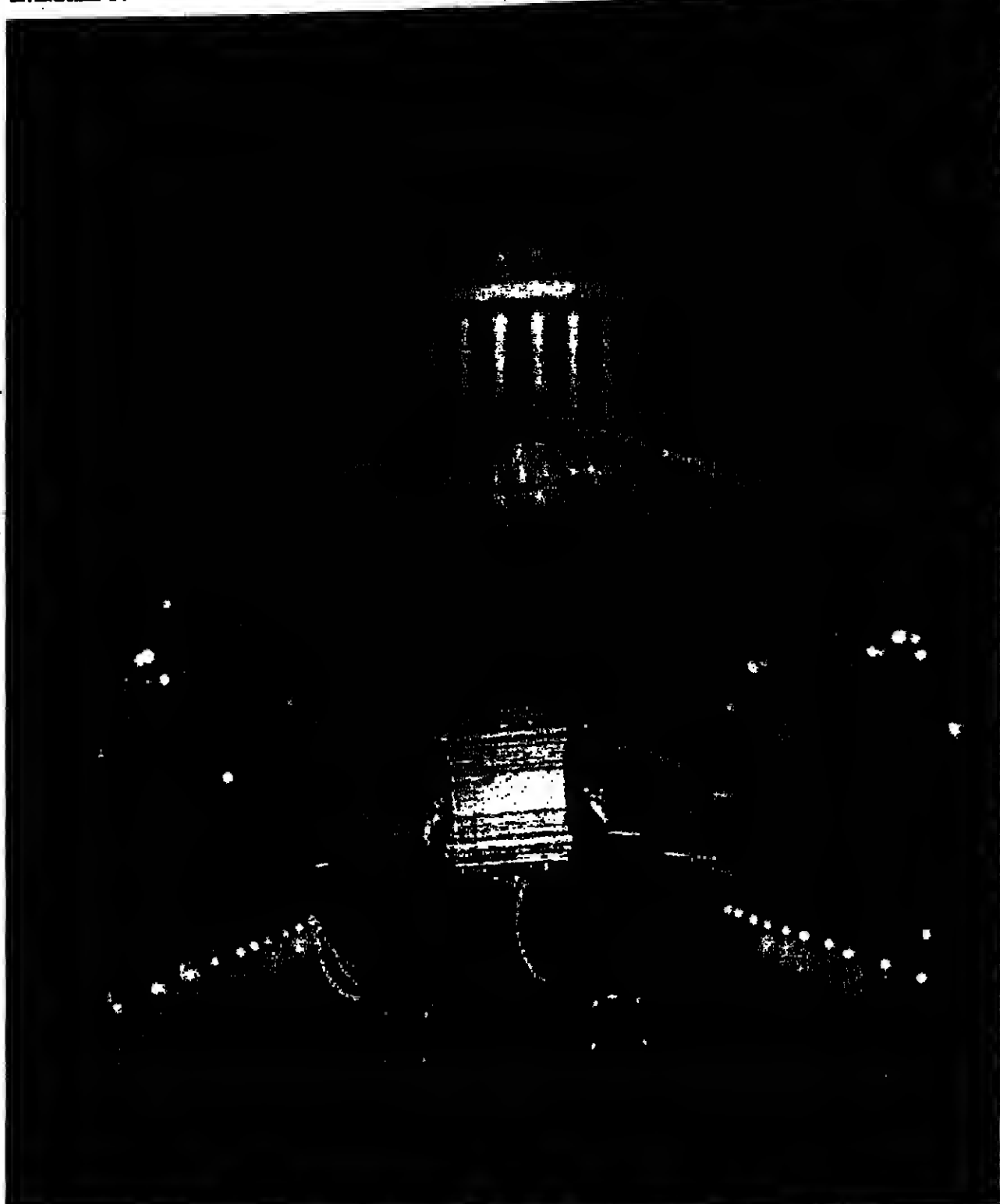
Nabliis. "Two of my brothers own shops and restaurants in Tampa and St Petersburg, in Florida," he said. "Earlier in the year, they came back here to start a business, but there was a 12-day closure. They said 'forget it' and went back to the US." He said he was planning to join them.

In theory, fixed checkpoints are banned by the Oslo accords, but Dr Shikaki of the Centre for Palestinian Research and Studies believes that Benjamin Netanyahu, the Israeli prime minister, does not want to implement them. Under the interim agreement signed by the last Israeli government last year, autonomous cities and towns under Palestinian control would expand to include their hinterland of villages. The number of Palestinians outside Israeli control would jump from 300,000 to over one million. Cantonisation would not be feasible.

Dr Shikaki argues that Mr Netanyahu, by insisting that Israel has the right to send troops back into Hebron, is not looking for more security but "an issue allowing him to freeze the Oslo process. He knows that the Palestinians will never agree to this because it legitimises re-occupation." But if the implementation of the peace accords is frozen, cities like Nabliis will remain isolated ghettoes.

In contrast with last year at the time of the Israeli withdrawal, there is an atmosphere of palpable hatred in Nabliis. "Everybody here was pleased when the Israeli soldiers were killed in September," said Mr Mari'er. Mr Qadr says that last week Amwar al-Masri, a 22-year-old man hit in the face by a bullet during the fighting, was to be moved by ambulance to hospital in Jordan for an operation. Stopped at a checkpoint leaving Nabliis it took him 12 hours instead of 3 to make the journey. Dr Shikaki says Palestinians have no alternative but "to move to confrontation".

Malraux laid to rest in France's Panthéon of heroes



Final honour: Republican Guards carrying the remains of André Malraux to their final resting place

Photograph: AP

Mary Dejevsky
Paris

The mortal remains of André Malraux, France's first minister of culture and polymath extraordinaire, were transferred to the Panthéon in Paris on Saturday night with all the quasi-religious solemnity an avowedly secular state can muster.

Borne by six members of the Republican Guard, from a plinth guarded by four Egyptian stone cats - Malraux's love of cats was legendary - his coffin was laid in the centre of the cold, stone building to await burial tomorrow alongside such French in-

minaries as Jean Monnet and the Resistance leader, Jean Moulin. Pupils from one of the many schools named after Malraux carried large photographs depicting his life and work, which they placed on the ground in shafts of red, white and blue light.

Malraux, who combined in one lifetime the roles of revolutionary writer, resistance fighter, politician, orator and cultural ambassador, became the 72nd "great man" of France to rest in the Panthéon.

In early summer Jacques Chirac announced Malraux would be elevated to the Panthéon, unleashing a crescendo of publicity that by last week dominated board-

ings, bookshops and every branch of the French media. In the flood of eulogies, very few ventured even a whisper of criticism.

But some claimed he had been blind to the cruel reality of Chinese Communism and that his "elitism" as De Gaulle's culture minister had fostered a pernicious divide between "high" and "low" culture in France. But in his tribute, modelled on Malraux's oration to Jean Moulin 22 years ago, President Chirac said Malraux's "eclectic tastes" knew "no hierarchy". And of his politics, he said Malraux "embodied Gaullism... as De Gaulle wanted it to be, not of the right, not of the left, but of France".

France tries to dampen Italy's boom

Andrew Gumbel
Rome

Italy's attempt to have the lira readmitted to the European Monetary System, a key requirement on the road to a single currency, turned into a transalpine arm-wrestling match at the weekend as Brussels struggled to reach agreement on the rate at which the currency should be exchanged.

At the heart of the dispute were the conflicting trade interests of Italy and its neighbours, especially France which has repeatedly complained about cheap Italian imports flooding its markets and taking

the edge off its international competitiveness.

Italy entered the negotiations on Saturday confident of obtaining a central exchange rate of 1,000-1,050 lire to the German mark, roughly the level at which its currency now trades on the open market. France, however, pushed for the stronger central rate of 950 to the mark, the idea being not only to blunt the attractiveness of Italian exports but also to force the Rome government to work harder to maintain the confidence of international financial markets.

The European monetary committee spent nine hours



on Saturday trying, and failing, to bridge the difference in the two negotiating positions. EU finance ministers resumed the effort yesterday and were still in session in mid-evening.

Italy was a founder member of the European Monetary System in the late 1970s, but crashed out in 1992, at the same time as sterling, under a wave of speculative pressure triggered by the collapse of the country's post-war political system and the calamitous state of its public finances.

Rejoining has been an ambition of Italian governments ever since, especially in the last two years as the deadline for a single European currency has loomed closer. Under the Maastricht treaty, countries need to be part of the EMS, and adhere to its exchange rate bands, for at least two years if

they want to participate in the single currency. Since the first deadline for the single currency is 1 January 1999, Italy needs to get in by the end of this year to avoid being relegated to the second division.

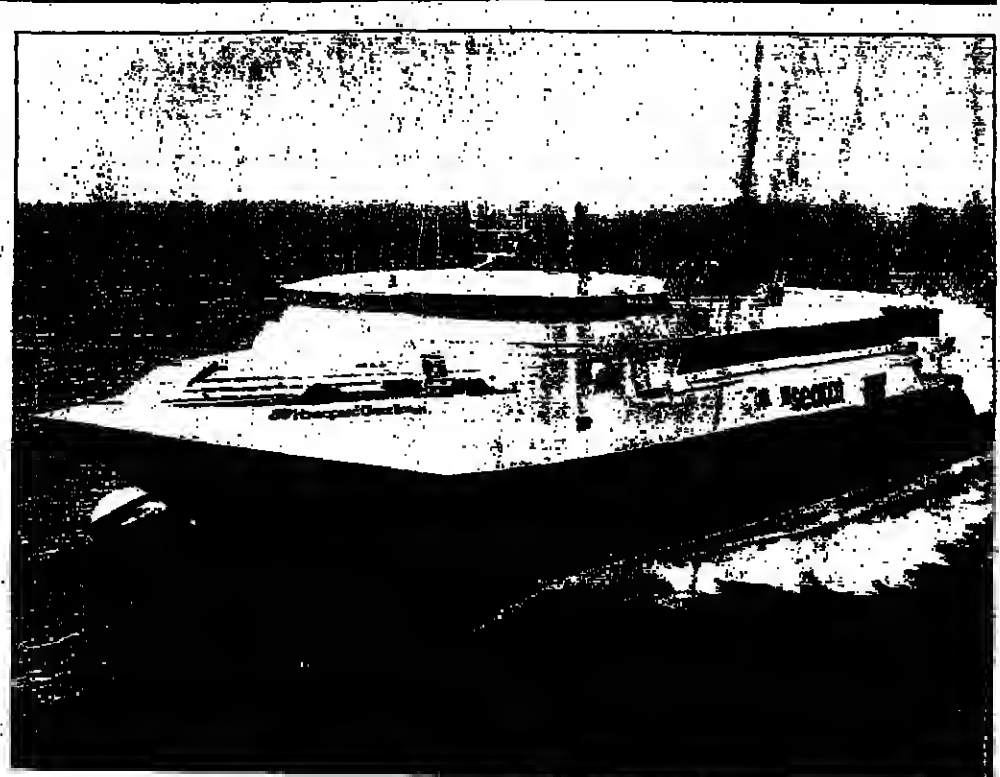
The push to rejoin the EMS is part of a concerted strategy to qualify for the single currency in the first batch. A super-austerity budget now going through parliament is intended as a last-ditch attempt to rein in Italy's budget deficit to the satisfaction of the Maastricht criteria; last month the Bank of Italy cut interest rates to help comply with yet another condition of Maastricht.

Italy's pressing need to get into the EMS has made its negotiating position in Brussels relatively weak but Romano Prodi's centre-left government also knows it has to take care not to let the lira be pitched too high for fear of crashing out again before 1999.

A weak lira over the past four years has led to booming exports, provoking loud complaints from France whose car and textile sectors have suffered particularly badly. Italy's leading car manufacturer, Fiat, as well as many of its clothing factories, are situated just over the border from France in the Piedmont region.

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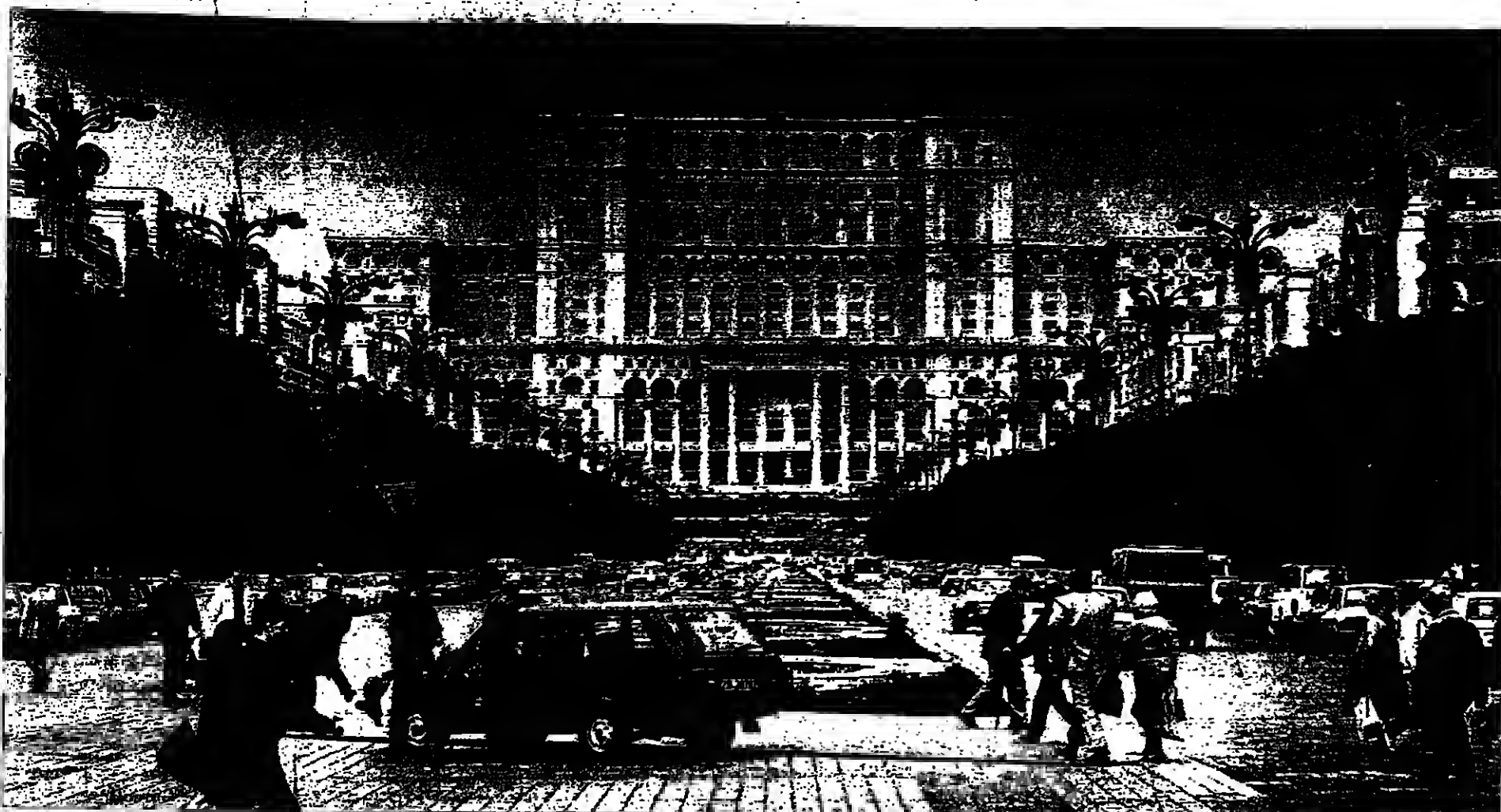


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Democrats in a shrine to evil



Built in blood: Construction of the House of the People cost hundreds of lives but the coalition has put aside misgivings about using it

Photograph: Richard Wayman

Adrian Bridge
Central Europe Correspondent

New rulers are embarrassed about using Ceausescu's monstrosity

Romania's newly elected anti-communist rulers are confronted with an embarrassing paradox: they are exercising power in a building which is a monument to the country's former hardline Communist dictator Nicolae Ceausescu.

The "House of the People" is an eyesore on the Bucharest skyline whose construction in the 1980s involved the demolition of more than one-fifth of the old city centre and resulted in the deaths of hundreds of forced labourers.

The decision to move the lower house of parliament into the 3,000-room white marble palace was taken by the former Communist heirs of Ceausescu, who ruled the country from his

overthrow in 1989 until their defeat in elections earlier this month.

But now the centre-right victors in the elections, who have promised to track down, on privilege, find themselves stuck in a building which for many Romanians is nothing but a kitsch monstrosity representing the ultimate symbol of Ceausescu's delusions of grandeur.

"We were always totally opposed to moving into this palace and even now want to explore the possibilities of moving back to our old premises or elsewhere," said Ion Diaconescu, a senior figure in the new coalition, after Friday's inaugural sitting in the palace. "This building is like an Egyptian

pyramid: a vast structure built at great expense but with no practical use."

In the original conception, the "House of the People" was to be the crowning glory at the end of a four-kilometre Victory of Socialism Boulevard meant to epitomise the success of Ceausescu-style Communism. Nicolae and his equally megalomaniac wife, Elena, were to rule supreme from the palace, which was also to house the Communist Party Central Committee, government parliament and the Council of Ministers.

At the time of the Ceausescu's overthrow and execution in December 1989, most of the external work on the palace, the second largest administrative

building in the world after the Pentagon, had been completed. But although initially some wanted to tear it down in disgust, the consensus was that the project had reached the point of no return.

Early ideas for possible uses for the palace included turning it into a multi-purpose complex with commercial enterprises such as banks and a stock exchange, halls for international conferences and even the world's largest casino.

But when MPs discovered that the old building housing the lower house of parliament was in need of extensive renovation, they decided in 1993 to initiate the move to the House of the People.

"Love it or hate it, we had to do something with the palace," said Gheorghe Stan, then the deputy secretary general of the lower house. "And what could be more appropriate than having it serve as the home to the country's democratically elected parliament?"

Opinions on that vary. For many Romanians, steeped in poverty, the £20m spent on adapting some one-third of the palace's 710,000 square feet and equipping it with thousands of pounds worth of silverware, crystal and leather furnishings is nothing short of an outrage. "Luxury that defies common sense," the *Romania Libre* stormed last week. Some believe the money is

well spent. "This is a beautiful building reflecting the great talents of the Romanian people," said Margareta Popescu, a woman walking her dog in the public park in front of the palace. "I am proud that in my youth such a building was constructed. People suffered, but look at what they created."

For those whose homes were in the path of the bulldozers, there is a different perspective. "I feel bitter every time I see this palace," said Alexandra Nikita, a medical student who was among the 150,000 Romanians forced to move for the project. "What we had before was so beautiful; what we have now is so ugly. And in a strange way, parliament has realised Ceausescu's dream. When I heard they were going to move into this building, I shuddered."

Belarus poll paves way to dictatorship

Helen Wonnack
Moscow

Despite Moscow's attempts to mediate between the warring politicians of Belarus, Alexander Lukashenko, the hardline president of the republic, went ahead on his own terms yesterday with a constitutional referendum which his opponents in parliament say will hand him the powers of a dictator.

Kremlin diplomacy with the Chechens over the weekend was more successful, although President Boris Yeltsin's Communist and nationalist critics denounced his decision to withdraw Russian troops from the Caucasian region as a sell-out to the separatists.

The Communist leader, Gennady Zyuganov, went so far as to call for a vote of no-confidence in the government over

Saturday's co-operation deal with the Chechens, which he said marked the beginning of the break-up of the Russian Federation. "This is Belovezh Mark 2," he said, referring to the Belarussian town where Mr Yeltsin and the then leaders of Ukraine and Belarus met in 1991 to disband the Soviet Union.

Since then, former Soviet republics have had mixed success in achieving market reform and developing democracy. Under Mr Lukashenko, Belarus, which is lagging economically, has also started to give the world cause for concern over its respect for human rights.

The Belarus President - compared by opponents with Adolf Hitler, a dictator who rose to power via the ballot box - is using the referendum in an attempt to increase his power at



Making hay: A farmer in Volokovichi, 50km from Minsk. The Belarus economy lags behind other states Photograph: AP

the expense of parliament and extend his term by two years. The crisis is reminiscent of October 1993, when President Viktor Chernomyrdin, reflecting Moscow's concern lest its immediate neighbour to the west should become unstable,

The Kremlin is this time very anxious to avoid violence. On Friday, Russian Prime Minister Viktor Chernomyrdin, reflecting Moscow's concern lest its immediate neighbour to the west should become unstable,

spent hours brokering a compromise deal between Mr Lukashenko and the Belarus parliament whereby the referendum would be used to gauge public opinion but not necessarily produce constitutional changes. But the deal broke down on Saturday and voting proceeded yesterday on Mr Lukashenko's terms.

Mr Chernomyrdin, expressing "deep regret" at the collapse of the compromise, blamed Belarus deputies for failing to ratify it, but added that Mr Lukashenko had not tried hard enough. "The executive branch of power in Belarus failed to show the insistence and endurance needed to bring the agreements into effect," he said.

Moscow and the rest of the world can only watch now to see how the 10 million people of Belarus vote - the result is

expected today - and how Mr Lukashenko acts on their verdict. Nato, which the Belarus leader once called a "dreadful monster", has a particular interest in developments because the republic, wedged between Russia and Poland, still retains some Soviet-era nuclear missiles, although they are due to be transferred to Russia for dismantling next week.

Although it was a distant dream in August, when the city of Grozny witnessed a full-scale war, harmony does seem to have been achieved between Moscow and the Chechens. The agreement signed by Mr Chernomyrdin and the head of the Chechen rebel government, Aslan Maskhadov, in a Moscow hotel on Saturday provides for the withdrawal of the last two Russian brigades from Chechnya and economic co-operation.



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international

Clinton agrees to visit China

Richard Lloyd Parry
Manila
Teresa Poole
Peking

Presidents Jiang Zemin and Bill Clinton agreed yesterday to visit one another's countries in what will be the first state visits by Chinese and American leaders since the Tiananmen Square massacre seven years ago.

The exchange, agreed at a bilateral meeting during the Asia Pacific Economic Co-operation (Apec) forum in Manila, marks the latest stage in efforts to improve Sino-American relations, which have been chilly over the past three years. The two governments have squabbled regularly over human rights and trade issues, and last year the US mobilised a fleet of battleships as China conducted missile tests in the run-up to the Taiwanese presidential elections.

The two presidents are scheduled to visit one another in 1997 and 1998, although details of the state visits have been confirmed, and important differences still divide the two sides. On two of the toughest issues - China's admission to the World Trade Organisation (WTO) and its human rights record - no substantial progress was made yesterday.

Washington continues to block Peking's entry into the

Leaders swap their calling cards but make no progress on human rights

WTO, and insists that it must liberalise its markets before being granted membership. The state visits could still be jeopardised by human rights issues, particularly China's handling of Hong Kong after the hand-over on 1 July. A Clinton aide said on the subject of human rights: "This is not a matter on which the United States has a smiling relationship with the Chinese side. It is a matter we take seriously and pursue seriously."

Nonetheless, yesterday's announcement appears to confirm a new resolve on the part of the Clinton administration to focus on Asian policy during the president's second term. Both Mr Clinton and his retiring Secretary of State, Warren Christopher, have recently emphasised the importance of regional stability and the need to engage rather than contain China.

For Jiang Zemin, the promise of official summits with Mr Clinton has been a long-awaited prize. The Chinese president has for more than a year been

angling for reciprocal state visits with Washington, knowing that it will promote his image as a world leader and consolidate his position at home before next autumn's full Communist Party Congress. That gathering is supposed to confirm Mr Jiang as heir to Deng Xiaoping, the ailing 92-year-old patriarch.

The Chinese President is already scheduled to make a state visit to Moscow in April, and will then take centre stage during the festivities surrounding the return of Hong Kong to the mainland. Ideally, say analysts, Mr Jiang would like to keep up his statesman-like progress by welcoming Mr Clinton to Peking before the party congress. The Chinese side may push hard to be the first host in the exchange of state visits, with the official media set to relish the propaganda value of a US president beating a path to Peking. Mr Jiang's reciprocal visit to Washington would be harder to stage-manage.

From the US's point of view, there is little incentive to hurry. Washington has given Peking what it wanted, dropping the stick in favour of the carrot. But the Clinton administration is likely to put off fixing any firm dates until China has offered commitments on those issues that preoccupy the US most, which include arms proliferation as well as market liberalisation and human rights.



Double act: Ryutaro Hashimoto, the Prime Minister of Japan, with President Bill Clinton in Manila yesterday

Photograph: Reuters

The US may now have decided to address human rights issues in a less high profile manner, but American domestic opinion dictates that the subject does not disappear altogether. Thus, in the more conciliatory atmosphere, Washington will still want to reopen

a human rights dialogue and tackle the perennial question of prison-labour exports.

Mr Jiang will nevertheless leave Manila buoyed by the belief that America is now in step with China's approach to their bilateral relationship. The Americans, and others, feel the

stakes are rather higher. Lee Kuan Yew, Singapore's elder statesman, yesterday said it was in everyone's interests for China's energies to be absorbed "constructively for another 50 to 100 years" through international co-operation. "If such a route is not open to Chi-

na, the world must live with a pushy China," he warned. The economic goals of the Apec forum, an annual gathering of 18 leaders from North and South America and Asia, have been largely overshadowed by such concerns, although progress in defusing the

region's other tensions has been symbolic at best. A meeting between Mr Clinton and the South Korean president, Kim Young Sam, achieved little in calming anxieties about North Korea which threaten to wreck the peninsula's fragile peace.

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significant shorts

French boy killed by Zaire envoy

A boy of 13 was killed and a 12-year-old was seriously injured when they were hit by a car driven by Zaire's ambassador to France.

Ambassador Ramazani Baya was driving a hired car along the waterfront in Menton on the French Riviera when it swerved off the road and hit them. The 12-year-old was in a coma in hospital in Nice yesterday.

Mr Baya had travelled to Menton to visit his country's president, Mobutu Sese Seko, who is convalescing in Roquebrune, Cap Martin, on the Riviera after cancer surgery in August.

Police said they gave the ambassador a breathalyser test, which had proved negative. *Menton - Reuters*

Five die in car bombing

A car bomb killed five people and wounded 15 in the Algerian garrison town of Blida near Algiers, security forces said.

The blast came four days before Algerians vote on changing the country's constitution.

Residents, speaking by telephone from Blida, said the bomb went off outside a hotel where police officers usually stay. *Paris - Reuters*

Miss World buttons her lip



One day after being crowned Miss World amid protests against the beauty pageant, Irene Kliva of Greece, above, posed for photographers but dodged questions about the controversy.

When asked about the protests by groups saying beauty pageants demean women, Julia Morley, the organiser, took over the microphones, saying: "Skilva does not wish to discuss this but will answer anything positive about India." *Bangalore - AP*

Klaus wins

The Czech Republic's ruling centre-right coalition cruised to victory in elections to the country's new upper house, the Senate. The coalition of Václav Klaus, Prime Minister, won 52 of the 81 Senate seats. *Adrian Bridge*

Nice votes on law that bans beggars

Residents of Nice voted on whether to keep or cancel a seasonal begging ban, a law condemned by human rights groups.

The mayor, Jacques Peyrat, a former member of the far-right National Front, asked Nice's 230,000 citizens to endorse the prohibition, saying it was needed to stop beggars from hussling holiday-makers in the city. *Nice - AP*

Israel listens to a new song

An Israeli government committee meets today to consider updating the national anthem to include the word "Israel" and a mention of the flag.

Poets and songwriters, however, dismissed the proposed changes with scorn. "Hatikva" - "The Hope" - was written in 1892, 66 years before the establishment of the state of Israel.

The proposal to update the anthem came from Jacques Dekel, a retired diplomat, who suggested the addition of two stanzas, including "In 1948 the state of Israel was established/ To revive our ancient glory," and "Blue and white is our flag, as a prayer shawl/ Our capital is Jerusalem." *Jerusalem - AP*

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A rich nation should budget for the poor

Which century is this? A two-year-old child has pneumonia because she lives in a cold, damp house. Children suffer from malnutrition and rickets, parents from tuberculosis. None of this is surprising, because their families can't afford to heat their homes.

It could be Dickensian London. Instead, such cases are appearing on the books of family health workers in Britain at the end of the 20th century. Our special report on page 8 shows that people are suffering from avoidable illnesses – diseases we thought had been almost wiped out a few decades ago – because of the grim conditions in which they live.

Current levels of poverty and ill-health may still seem tame compared with Victorian Britain, or even the early post-war years. Nevertheless, we should be shocked and outraged at the deprivation, particularly for children, that persists. It isn't good enough. In a rich and civilised nation such as ours, we can and should do much, much better.

For most of us, it is easier to shrug our shoulders and turn the page. It's terrible, we nod, but what can one do? The myth of the unfortunate underclass has taken deep root. Many dismiss them as feckless – too lazy to work, too foolish to manage their budgets, or their fertility, churning out babies without the wherewithal to support them.

Even those who realise that this caricature is nonsense still sigh and turn away. We convince ourselves that only a tiny minority are really in trouble, the rest all have televisions, videos, cars and comforts, even if they are not as well-off as we are. Moreover, given the constraints of a growing economy and a democracy, we believe we are doing all we can.

This won't do. For a start, living conditions for some have really become worse than they were 20 years ago. The incidence of illnesses such as TB is rising. Even if most people are better off, there is no excuse for allowing an unfortunate few to suffer such discomfort and indignity. Especially when so many of them are children.

Nor are the poor a tiny minority. As *The Independent* on Sunday revealed yesterday, an astonishing one baby in three is born to parents on benefits; that means 215,000 babies born last year into families not far off the breadline.

Peter Lilley, the Social Security Secretary, assures us that all is not as dire as it seems. Most people who are poor one year, are not poor the next. He has a point. We should not waste too much anguish on the plight of the middle-class family that runs down its savings during temporary hard times.

The trouble is that many people don't actually move very far out of poverty. The same people rejoin the dole queues time and time again, when their low-paid temporary jobs run out.



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Households increasingly have two earners, or no earners at all, as both partners get trapped on benefits.

Admittedly most of those stuck on welfare do indeed have televisions, telephones, fridges, and even central heating, videos and cars. So what? Central heating isn't a luxury, it stops people getting cold and ill. Television is extremely cheap entertainment, and provides many people with their only access to our common culture – from news to soap operas, cartoons to documentaries. And cars make it possible to drive to the out-of-town supermarket, rather than negotiate infre-

quent buses with several shopping bags and a toddler in tow.

Even more important, relative poverty matters. Inequality is actually bad for our health. Surprising as it may seem, the evidence shows that more unequal societies have much higher death rates. Being poor in a rich country is far worse for our health than being poor in a poor nation, alongside everyone else. It seems that the stress of exclusion, or a sense of failure, or even envy, can drive us to an early grave.

The most pernicious aspect of the underclass myth is the idea that nothing

can be done. Our national income is around £13,000 a year for every child, woman and man in Britain. It should not be beyond us to make sure that toddlers live in houses with central heating.

After all, we are not talking about a sub-Saharan state torn by war and plagued by corrupt government. Nor is Britain a former Communist country, dealing with the unavoidable problems of transition as it tries to restructure an entire economy. This is placid Britain, haunted by nothing more serious than the odd recession to interrupt the path of progress.

As Polly Toynbee makes clear over the page, there are plenty of programmes that do good, alleviating poverty and helping people into work. But they are being cut by local authorities to cope with budget squeezes from on high. Conservative governments could have done countless things in the past 17 years to help those who lost jobs in manufacturing and skilled manual work into new jobs, or to make it easier for mothers to find child care and work. Instead, they have ignored the problem and made matters worse. For this week's Budget to deliver tax cuts – especially cuts in inheritance tax or capital gains tax – in the face of such poverty and deprivation, would be appalling and immoral.

But we can't place all the blame on politicians. The Conservatives have exploited our willingness to turn a

blind eye to other people's problems. If we vote for tax cuts rather than policies to get the poor into work and out of hardship, then the toddler's pneumonia should rest on all of our consciences. We shouldn't feel guilty about poverty, or resigned to inequality, we should be angry and determined. Only when we demand more, and better, of our government, will our government start to deliver.

Cinders lives in Albert Square

Some people are so stuffy. The idea that pantomime should ban soap opera stars in order to return to its traditional roots, as one leading theatre director suggests, is ridiculous.

Consider the history of our pantos and the mummies' plays that preceded them. Each follows a formula: simple, familiar plot (usually including love, greed, betrayal, and misunderstanding), predictable characters, heavy over-dramatisation, and a moral message or two.

In fact, they sound remarkably like our soap operas today. The bigwigs of the theatreland should wake up: *EastEnders*, *Coronation Street* and *Brookside* are the true heirs to *Aladdin*, *Cinderella* and *Mother Goose*.

LETTERS TO THE EDITOR

Lib Dems must seize their chance

Sir: I hope Paddy Ashdown and his leadership colleagues give short shrift to the letter from Elizabeth Lynne MP and her friends ("Liberals revolt over coalition fear", 23 November). They are simply not keeping their eyes on the ball.

Liberal Democrat aims at present are:

- to ensure that new Labour and Liberal Democrats, together but as separate entities, win the next election with the strength to hold their combined majority through an entire parliament – Tories out for at least long enough to repair the worst damage they have inflicted on this nation; and
- recognising that new Labour will be the stronger part of that majority, to achieve a position of influence on the new government by agreeing now upon a minimum programme of priority policies – principally reform of Parliament and of the electoral process.

These aims will require, on both sides, compromise and commitment. They should not require sacrifice of principle, but will certainly involve, for both parties, deferment of important but secondary objectives. Acceptance of office under a Labour prime minister is not necessarily part of those aims, but may be appropriate if the scope of the policy programme justifies it, and Labour dependence on Liberal Democrat support in the House is significant.

Lib Dems should support the idea of coalition politics, and help the electorate to accept it enthusiastically in place of the confrontational politics which have failed us all. And Lib Dem MPs need ministerial experience; they should not shy away from responsibility.

It is time Elizabeth Lynne and her like put aside prejudices built of parish-pump politics. Support in the country for the Ashdown line on co-operation with new Labour is greater than they think.

JOHN SANDERS
Bideford, Devon

Sir: The danger of Paddy Ashdown entering a coalition with Tony Blair is that the Liberal Democrats could face the same decline into irrelevance as the Free Democrats in Germany. The electorate would always blame a small partner for mistakes while handing the credit for success to a larger one. Further, there could be a loss of members who joined the party because it is distinctive – a radical party which has none of the nanny-state baggage of Labour or the Tories' materialistic fear.

Liz Lynne is right to issue a caution. Where she is mistaken is to see the talks over constitutional reform as an indicator of softness towards Labour. In all its incarnations since the 17th century the Liberal Democrat Party has regarded such reform as its principal objective. It was born out of opposition to the concentration of power in Charles II's Tory Cabal and it stands now for modernisation of the means of government, both at home and across Europe. If agreement to reform cannot be reached with the most likely incoming government after two decades of constitutional standstill a great opportunity will have been lost.

SIMON MUNDY
Gloucester, Pwys



That film: just a crashing bore

Sir: Crash seems to be triggering a lot of opinionating – much from people who haven't seen it. I can offer our own experience.

Back in July we walked into a Paris cinema to see a movie, chosen for its cast and other circumstances: it was *Crash*. We hadn't read a word about it – thought it might be a psychological thriller but were utterly open-minded.

About half-way through, we walked out of the cinema. We were not shocked, or excited, or horrified... we were bored to death. You could compare it to force-fed masturbation in unbecoming surroundings. In England, I would have claimed my money back, but it's useless to try with the French.

Now, with all the hype, I'm afraid it may become like the emperor's new clothes. But while a decision to censor it might be disputed... you are not missing a thing.

CECILIA GOWAR
Paris

Deliver the cash for home birth

Sir: Since the move away from home to hospital births, it is understandable that GPs and some midwives have lost the confidence and skills to take on home births, but that is not the whole story ("Fateful doctors stand in way of home births", 22 November).

The Government, with its Changing Childbirth policy, has failed to supply the extra resources

needed to implement it. We have a national shortage of midwives, yet few NHS trusts have honoured the local pay award.

If it is difficult enough to provide 24-hour cover in hospitals these days, how likely is it we will be able to get midwives to be on call all day and all night for weeks at a time?

Midwives have relationships, partners, husbands and children too. Nearly half of all midwives work less than full-time. In 1961, when I qualified as a midwife, the midwives who trained me were not married; they devoted their lives to other women and their families.

We all support more choice for mothers-to-be, but in the debate on hospitals versus home births it is time to consider the role of the midwife.

MARGARET EYRE
Haslemere, Surrey

Jobs eat into study time

Sir: A report by the Policy Studies Institute claims that university students are now better off than they were before loans were introduced (report, 22 November). The extra income comes from a mixture of loans and earnings made both during the vacations and part-time during term time.

Today I had a visit from a student whom I had asked to explain his non-attendance at tutorials. His reason was that he had a job. My experience as a tutor in a department which teaches over a

thousand students each year is that this sort of situation is far from unusual.

Such a rise in income is to no avail if students' academic performance suffers. The Policy Studies Institute appears to know the cost of everything and the value of nothing.

This country used to have a university system widely held to be one of the finest in the world. Continual reduction in the resources devoted to it in real terms (the amount allocated per student) is undermining this position. To pretend that everything in the academic garden is rosy because by wadding several times a week in a pub students can still afford their rent and have a little left over for leisure, is to mislead the public and damage not just the university system but the country as a whole.

Dr ANNA MAIDENS
Department of Philosophy
University of Leeds

Careful use of steroids

Sir, I was sorry to read ("An ill for every pill", 19 November) that Virginia Ironside had been ill and had bad bad experience with the drugs used to treat her ulcerative colitis, an unpleasant and sometimes dangerous condition. Her experiences, however, do not justify her wholesale attacks on steroids and on orthodox medicine. Most people do not have

borrhenous side-effects from steroids, even in large doses, and doctors are well aware of the side-effects and of the need to limit the use of these drugs as far as possible. Trouble-free medication was never part of the deal: doctors do their best with the knowledge and the treatments available to them.

The difference between orthodox medicine and many of the alternatives is that conventional medicine strives to be science-based, logical and self-critical. Many alternative treatments, on the other hand, are based on received wisdom, superstition or crude forms of empiricism.

ROGER A FISKEN MD, FRCP
Northallerton, North Yorkshire

C of E ignores Royal Family

Sir: Paul Handley (Faith & Reason, 23 November) must be lucky in his church attendance to imagine that the state prayers for the Royal Family are said during Church of England services every Sunday: such prayers have been disgracefully neglected for many years. The Bishop of Whitchy has been quoted as saying: "These prayers are very, very rarely used in most churches these days." This omission is the more shameful as I understand that Roman Catholics and Jews pray regularly for the Royal Family.

JENNIFER MILLER
London SW15

Railways face uphill task

Sir: The coverage given to the Eurotunnel fire has once again demonstrated the uneven playing field on which railway companies have to operate.

The safety commissioners are reported to be demanding a "cast-iron" guarantee that the accident will not be repeated, before passenger trains will be allowed through the tunnel. If the same approach were taken to road safety, the impact on car design and speed limits can only be guessed. Would our motorways be closed until the Department of Transport and the car manufacturers gave a cast-iron guarantee on safety?

Rail travel remains one of the safest modes of transport. Despite the failure of the first two safety procedures in the present incident, the third was successful in preserving human life. Surely, the question to be answered is why the lorry caught fire.

CHRISTOPHER GARDNER
Alton, Hampshire

Music of war

Sir: Professor David Head (letter, 20 November) challenges readers to claim that the *Mastermind* title music is reminiscent of a Nazi war camp.

Surely I cannot be alone in recognising the same menacing and oppressive tones found in the theme to the *Colditz* television series.

NICK GINGELL
London W4

Men at bottom of the class

Sir: Suzanne Moore ("Why I feel sorry for the boys", 22 November) sees as a gender problem what is still, essentially, one of class.

Over the centuries that men have run the world, a hierarchy has developed, placing those with intellectual/verbal skills at the top, those without at the bottom. This gulf has been systematically widened until for those at the lower end, intellectual/verbal skills have become such an irrelevance that in order to maintain their self-respect, they've convinced themselves that such qualities are wimpy and effeminate.

The lives of their partners, however, have remained essentially similar, whatever their place in the hierarchy. Running a home has always required a degree of verbal skill, people skill, the ability to keep the balls in the air; in short, the basic qualities of middle management.

The result, if you give any credence to intelligence tests, is that if you go into a room containing two persons of each gender, the statistical likelihood is that the most intelligent of the four will be one of the men, the least intelligent the other. So, as the need for mindless labour has diminished, and the need for skilled workers and management risen, it is not surprising that women have flooded into the middle of the market, driving virtually half the male population to the bottom of the pile.

These are the "boys" you need to feel sorry for; whose lives will be thrown away unless they can be helped to adjust to the new world order. The other 50 per cent of men are still doing perfectly nicely. When I watch *The Late Review*, even when it's enhanced by the presence of Ms Moore, I can't say I often find myself thinking, "What a shame the men aren't as articulate as the women."

ROD BEACHAM
Alford, Surrey

Ready to leave a baffling world

Sir: David Hiscock's review of the implications of slowing down the ageing process (*Magazine*, 23 November) omits an important cultural point. From extensive contact with aged people over many years I have found that the most common complaint, apart from physical ailments and loss of friends, is that the world has changed beyond recognition in comparison with the years of their youth, invariably viewed with glowing nostalgia. As a result they no longer understand the present world or feel part of it, and are only too ready to be rid of it. Should we unduly prolong their bereavement?

FR DOMINIC KIRKHAM
Manchester

Spare a nickel?

Sir I feel Dr James Hutchison (letter, 21 November) is wrong in attributing the magnetism of "copper" coins to their iron content.

Iron is not the only metal to exhibit magnetic properties, which are shared by nickel and cobalt. I suggest the case in point is caused by variations in the coins' nickel content, which is included to harden the metal.

Dr P HOLMES
Newcastle-upon-Tyne

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Budget secrets



What will the Chancellor announce in tomorrow's Budget? What political calculations go on behind the scenes at the Treasury? Bird and Fortune discuss the finer points of tax policy

In the following sketch, John Fortune is a journalist interviewing businessman Sir George Parr (played by John Bird). The interview was broadcast on 'Rory Bremner: Who Else?' in the week before Kenneth Clarke's 1995 Budget. It is a philosophical piece about democratic choice, or, as it is technically known, tax cuts.

Fortune: George Parr, you're very closely involved in the preparation of the Budget.

Bird: Yes, I've been working with the Chancellor and the Treasury team on its final stages.

Fortune: Now, I do realise that nothing at all could induce you to reveal secrets of the Budget.

Bird: Oh no, no. Well, very large sums of money, but otherwise no, because actually the final calculations haven't been made yet.

Fortune: I see. Of course, you're an economist.

Bird: No, no, I work for Euro Disney. I've been seconded to the Treasury for this period.

Fortune: I can't quite see the connection between a fantasy theme park and the Budget.

Bird: Can't you? I thought it was starting you in the face. Well, no, the connection is, people go to Euro Disney, and they see the enchanted palace and the crocodile pool and the Wild West saloon, but they don't think they've really been there until they see the 12ft-high figure with the long white whiskers and the big black ears.

Fortune: I see, yes.

Bird: You see? And in the same way, this Budget is just before a general election. Now during the general election you will hear a lot of discussion about education and health and unemployment.

Fortune: Hmmmm.

Bird: But people won't feel they really know how to vote until they know what sort of tax cut they're going to have.

Fortune: So the tax cut is, so to speak, the mouse in your analogy.

Bird: It's the mouse, it's the cheese, it's the trap. It's the thing, you see, which is going to decide whether people vote for the Conservative Party or not.

Fortune: And you think that you're qualified to know what is going to make them vote in that way?

Bird: Well, I've spent the last few years getting people to travel hundreds of miles to a swamp outside Paris, to see a pointless farrago of over-priced trivia, and so I think I do know what the public are inclined to fall for.

Fortune: And in this case, of course, it's the tax cut.

Bird: Yes.

Fortune: But I mean, people are saying already, aren't they, that if the Chancellor cuts taxes, it's a simple bribe?

Bird: Well, as we all know, the general public are inclined to jump to wild conclusions in a hurry, but in this case they're right.

Fortune: So it is, it is just bribery?

Bird: It is just bribery, yes.



Fortune: But surely there must be... I mean, a sort of fig leaf of economic argument which says that cutting taxes would actually improve the economy.

Bird: Well, there may be, I suppose. I don't know. We haven't discussed that in the Treasury, we've just discussed the bribing side of things.

Fortune: I see. But aren't the electorate going to despise a Government that just offers them bribes?

Bird: Well this is the calculation that we have to make. At the moment, you see, this is a fine calculation. Do they despise us more than we despise them? I mean, they know it's a bribe, and we know that they know it's a bribe, but it's a matter of pitching the bribe at just the right level. I mean, just let me shape the figures: if it's one penny in the pound off income tax, people will say: "Well, this is just a bribe, and I'm not going to vote for anything as shameless as that." But if it's three pence off the income tax, they say: "Well this is just a bribe, but it's a

bloody good one." And so they vote for it. You see what I'm getting at?

Fortune: Yes, I do, I'm seeing the logic, yes.

Bird: Good.

Fortune: Except, then in that case, you might as well offer them anything, couldn't you, offer them the moon?

Bird: Oh, well, no, in that case the calculation goes: instead of do we despise them for being greedy, it's do we despise them for being stupid, because they know that if we cut the top rate income tax from 40 per cent to 5 per cent, say, which is what the very high earners pay anyway, then they'll know it's not going to work. I mean, they know that it is a very cynical world, and rightly or wrongly, everybody despises politicians. But that's a tremendous advantage to us. Because, you're not keeping up here, because the Chancellor knows that people already despise him because he's a politician, so they aren't going to start despising him because he gives money away in bribes, are they? Let

Fortune: And in any case, don't help the economy, you're going to have to put up taxes again in a couple of years?

Bird: Well...

Fortune: Which is what happened last time.

Bird: Well, of course, that's the risk you take. It's like the Lottery really: it is a lottery in fact: people know they're not going to have much chance of winning the Lottery, but they know that unless they buy the card, they're not going to have any chance at all. In the same way, they know the tax cuts probably won't work, but they're not going to get them unless they vote Conservative. You follow me, you are following me?

Fortune: Yes, I'm... yes. We seem to have stumbled into a world of complete cynicism here, have we?

Bird: Unfortunately, we all know that it is a very cynical world, and rightly or wrongly, everybody despises politicians. But that's a tremendous advantage to us. Because, you're not keeping up here, because the Chancellor knows that people already despise him because he's a politician, so they aren't going to start despising him because he gives money away in bribes, are they? Let

me draw you an analogy. The Chancellor, in this case, is a drug dealer. And the voter is an addict, you see. Now, the addict may despise the drug dealer.

Fortune: Lowest form of human life.

Bird: Yes. But he's still quite glad to see him coming round the corner with his little bag of white powder, isn't he? You see... I'm not saying of course that the Chancellor is a drug dealer...

Fortune: No, no, no no...

Bird: I have no way of knowing whether he is or not.

Fortune: No. But is it, am I being just, I'm sorry, sort of hopelessly idealistic...

Bird: Hmmmm.

Fortune: ...to think that the electorate would actually prefer politicians who had some principles, and who stuck to the promises that they made?

Bird: That would be disastrous.

Fortune: Would it?

Bird: Oh yes, that isn't what it takes. Look, Britain at the moment is in a relatively good economic position. We've got growth at 2 per cent, and a relatively low rate of inflation. Now, the reason that we are in that good position is because in 1992 we left the European Exchange Rate Mechanism and devalued the pound. Both of which things John Major, the Prime Minister, said he would never do, he promised he would never do it and if he did do it, it would be a complete betrayal of the country.

Fortune: So it's only because John Major did betray the country that we're as well off as we are now?

Bird: Yes, you're getting there, yes.

Fortune: So this means, I'm gradually learning this argument, this means that we should vote for the party which is most likely to break its promises on principle?

Bird: (laughs) If only it was as simple as that the world would be a much better place. No, you can't do that because you never know in advance which principles you have to break, you see, that's the thing.

Fortune: It's not until you've abandoned a principle that you know whether it's going to work or not. Yes, exactly right.

Bird: ...whether it's going to work or not. Yes, exactly right.

Fortune: And of course I suppose in some senses the

electorate, too, can't be relied on to...

Bird: Well no, we say that the voters despise the Government for not keeping its promises, but then the voters don't keep their promises either, do they?

Fortune: No. Because in the last election people said they'd be prepared to pay more tax for better public services, and then when it came to it they actually voted for lower taxes.

Bird: Yes. They said they would vote Labour, they told the opinion polls that they'd vote Labour, and then of course they went and voted Conservative, and you know, this is very, makes it very difficult for somebody...

Fortune: It's very difficult to predict anything.

Bird: ...for somebody like me, yes. Because if you can't rely on these people in this way... and the thing that worries us is that Mr Blair is bringing the Labour Party to the point where I think it might well be possible, he may have already achieved this, that people will be ashamed to say they're going to vote for the Labour Party as well. Which will be a big step forward for them.

Fortune: But that's democracy, isn't it?

Bird: That is democracy, yes. After all, it's a secret ballot.

Fortune: It's a secret ballot, yes, and people have the right to vote for something they're deeply ashamed of.

Bird: But it does make it difficult.

Fortune: And of course you could have a situation where people took the bribe, took the tax cuts and still voted Labour, couldn't you?

Bird: I suppose so...

Fortune: How would you feel about that?

Bird: Well I don't know, I'd give up, then, really. It would make me lose all my faith in human nature if that happened. I'd be inclined to go and live abroad if that was the case. Actually, I do live abroad. And you never get this problem in the Cayman Islands, because you don't pay tax anyway.

Fortune: George Parr, thank you very much indeed.

Bird: That's all right, it's a pleasure.

This interview is extracted from 'The Long Johns' (Hutchinson, £9.99). The book is a transcript of the part-improvised spoof interviews between John Bird and John Fortune, originally performed on Channel 4's 'Rory Bremner: Who Else?'

A whale of a time with Lord Wreath



Miles Kington

"You know that news item about the woman who wants to be fertilised by her dead husband? In my day, they would never have broadcast that. Never! And do you know why?"

"Tell us why, Seymour! Was it because they didn't know how to freeze sperm when you were a lad?"

"Or was it because they hadn't discovered the link between sperm and pregnancy yet?"

There was a roar of laughter. From all except the speaker. The speaker, who sat

there frowning, was an old man called Seymour Temple. He was an old BBC producer. He was sitting in an old pub called The Half Of It, (so called because nobody knows it) which is situated in the old part of Soho and is frequented by ex-BBC employees, who like to go there and grumble about the present state of the BBC. I like to drop in there occasionally to pick up gossip, wisdom, history and a free pint.

"The reason that we would never have broadcast it in the old days is that Lord Reith would never have permitted the word 'sperm' to go out on the airwaves."

"You're kidding, Seymour."

"I kid you not. We once had an item prepared on the hunting of sperm whales, and things were so straitlaced in those days that we weren't sure if even that would be permitted by Lord Reith. So I was deputed to go and clear it with him. I remember to this day going into the presence of the great man and trembling at the feeling of disapproval which emanated from him. And that was before he knew what I had come to ask."

"After I had explained my

mission, his brow furrowed and he asked me if it was entirely necessary to refer to 'sperm whales'. Could we not just call them whales? I said that it was vital to distinguish them from other kinds of whale. He went all furrowed again, and asked me why they were called sperm whales. I said it was because they were hunted for their sperm oil. And from what part of the body is this sperm oil derived?"

asked Lord Reith, almost in a whisper. From the head, I believe, I said. He looked relieved but puzzled at this...

"Oh, get on with it, Seymour!" cried another old producer called Roderick Lance.

"Yes!" cried a third. "Did the old man let you do it or not?"

"He let us do it on condition that we changed 'sperm whale' to 'killer whale' throughout," said Seymour Temple. "You might say that he banned sex but allowed violence."

Everyone laughed.

"Was he really so puritanical?" I asked.

"Puritanical?" said Seymour. "I should say so. I remember once we had an idea for covering the Tin Pan Alley output, as pop music was

then called. In those days the BBC had no interest in pop music..."

"Nowadays it has interest in little else," said some old curmudgeon.

"So we went along to Reith with an idea for a new programme which would broadcast new pop songs, to be called *New Duty Time*. To our amazement, he stood up and shouted at us to get out with our works of the devil."

"Did he really think that pop music was diabolical?" said someone.

"Not at all," said Seymour Temple. "He had merely misheard the title of our programme, *New Duty Time*, as *Nudity Time*."

Shouts of laughter.

"Incidentally," said another old producer, "is there any truth in the rumour that John Bird's new nickname is East Ham?"

"Why 'East Ham'?"

"Because it's one stop short of Barking."

More shouts of laughter.

"Did I ever tell you what Seymour Temple was?" said Seymour Temple.

"Tell us, old boy."

"He was called 'Two Minute Silence'."

"Why was that?"

"Because of Reith and wraith, you know. He was also called 'Cenotaph' and the Unknown Broadcaster for the same reason. 'Did you also know that, to begin with, Lord Reith seriously considered taking no notice of the Second World War?'"

"Not covering it, you mean?"

"Yes. He said it was far too bad taste to be covered on the BBC. It was with great difficulty that we persuaded him to let it make the news..."

Shouts of laughter. As I left the pub I asked someone I knew just why Seymour Temple was so bitter against Lord Reith.

"Not bitter at all, old boy. Temple is an agent of the Birt regime. He is sent among us to make us feel that things were much worse in the old days and that Birt's regime is comparatively enlightened. If Reith's name has to be blackened, so be it."

"Why do you put up with it?"

"Because he amuses us, dear boy."

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Rothschild's victory over Frankfurt

A new book, a portrait of the first Rothschild, by Amos Elon, makes the family's story even more remarkable than I already believed it to be. It also provides a picture of a repulsive Frankfurt, the most anti-Semitic city in 18th-century Germany.

It was only a few years after Rothschild's death that Byron wrote his celebrated lines about the power of finance: Who keep the world, both old and new, in pain and pleasure? Who make politics run gibber all? the shade of Buonaparte's double daring?

Jew Rothschild and his fellow-Christian Barings!

Unlike the Barings, the Rothschilds continue to push on with their banking business; they announced the other day a closer integration of their European operations. Until now most attention has been paid to the founder's five brilliant sons – the five arrows on the bank's crest – who, leaving behind one of their number in Frankfurt, established businesses in London, Paris, Vienna and Naples, of which those in London and Paris still survive. But the founder, Meyer Amschel Rothschild, born in 1744 in a dilapidated tenement in the Jewish ghetto of Frankfurt, was arguably the greatest Rothschild of all.

No improvement in the circumstances of the Jewish community in Frankfurt, the largest in Germany, had taken place since medieval times. It was confined to a closed, overcrowded, insanitary compound, shut off by high walls and heavy gates, which were locked at night, all day on Sundays and other Christian holidays, and from Good Friday until after Easter. The freedom of movement of Jews and the jobs they could do were severely restricted; they had to swear a loyalty oath in which they were referred to as members of an "accursed" race; their numbers were limited to 500 families, so only 12 Jewish weddings could be authorised each year. They were often molested in the street. At the cry "Jud mach moves" – "Jew pay your due" – they would have to take off their hats, step aside and bow. Jews could venture outside the ghetto only for business, and never more than two abreast. This city of Goethe, a contemporary of Rothschild, maintained an obscene painted relief, known as the Judensau (Jews' sow) at one of its entrances. When the old ramparts were turned into promenades, a sign outside one of them said "No Jew or pig can enter here."

Frankfurt's non-Jewish residents were viciously hostile because they were determined to keep to themselves all the advantages of their city's favourable trading position, standing as it did at the junction of five international land routes – linking England and the Netherlands with Russia, and Venice and France with the Hanseatic towns to the north. Frankfurt's anti-Semitism was in its origin one-quarter religious, three-quarters commercial fear. That Rothschild built up a business which endures to this day, albeit no longer in Frankfurt, in the face of the city's vile regulations, makes his achievement all the greater.

Rothschild took the only available escape route: he became a Court Jew. The rulers of numerous German kingdoms and principalities always needed men of business and bankers to handle their financial affairs. Christian bankers weren't terribly interested in the opportunity – princes were apt to renege on contracts; they made their own laws.

After many years of slow progress, punctuated by setbacks, Rothschild gradually began to do more and more business for the ruler of neighbouring Hesse-Kassel. His prince was both exceptionally rich and an obsessive money-maker; he supplied mercenaries and loans to his fellow rulers and invested in rare coins and British government stocks. In today's terms, Rothschild had become the chief broker to the largest and most active institution in the market. Nonetheless, Rothschild's daily life continued to be marked by the humiliations visited upon Jews. One day, in the 1790s, the Frankfurt magistrates decided that Jews should be forbidden to carry walking sticks. The Frankfurt post office withheld letters addressed to Jews until the afternoon, so that they could be censored. However, as the recipients were allowed to see their envelopes earlier, Rothschild had his correspondence colour coded. A blue envelope told him that the pound was rising, red that it was falling.

By the beginning of the 19th century Jewish emancipation could no longer be resisted. Nonetheless the city fathers, Lutherans every one, demanded their pound of flesh. They insisted that the Jews buy their civil rights. Rothschild conducted the negotiations in 1811. The city claimed that it should be compensated for losing the proceeds of the special tax on Jews, levied since medieval times. The price agreed was equivalent, in today's money, to £4,000 per Jewish family. A year later Rothschild died. He had lived his entire life in the ghetto and had visited the synagogue almost every day.

Mr Elon quotes an affecting description of "old Rothschild": "during the meal the old Rothschild, who has business deals with my father-in-law (a Christian banker)," was announced... his eyes mirrored intellect and good will. He possessed both qualities. Greeting us warmly he entered. The servant brought him a chair. He did not sit down. "Please sit down," said my father-in-law. "No, sir," Rothschild responded, "I know what is becoming for me." "If you do not sit down," said my father-in-law, "I'll also stand up." At this, Rothschild placed himself at the edge of the chair, we feared he might fall off. This was the man who through industry founded a world power of finance.

*Founder: a portrait of the first Rothschild and his time by Amos Elon (Harper Collins, £20).



Amos Elon
Whitman Smith

The remarkable story of the building of a bank in an 18th-century ghetto

Poverty by a thousand cuts

by Polly Toynbee



Slashing welfare schemes that are designed to save public money in the future will ensure that nobody feels very good

Feeling good? We are ready for a feel-good Budget tomorrow for a nation at ease with its wallets and handbags. We shall have tax cuts – only prudent ones of course, but prudent for whom?

Down on the ground, this is what failure to raise sufficient taxes means right now: a third of all health authorities are in deep trouble, slashing and burning to keep within the law and end the year without debts. Most non-emergency cases will have to wait until April. Local authorities, too, are scything their budgets.

What is being cut first? The very projects designed to catch problems at an early stage, cheap social programmes where a little spending now will save exorbitant spending later: projects that shore up families to stop children being taken into care (costing £40,000 a year per child) – and projects to keep young people off drugs and out of prison (which costs £100,000 per prisoner).

The Independent is based in Tower Hamlets, the poorest borough in Britain. This is what is happening right here, on our own doorstep – and it is a pattern mirrored in many inner cities, according to CIPFA (the Chartered Institute of Public Finance and Accountancy).

Today the East London and the City Health Authority will announce savage cuts to most of its social programmes because it is £20m in the red. Reluctantly, it has just told 140 successful projects that their grants are to be slashed. These are 140 assorted voluntary organisations struggling to hold back a tide of deprivation and human calamity.

It will mean the closure of three Newpin centres, that help struggling new young mothers cope with serious mental problems by exploring their behaviour and their usually disastrous backgrounds. They learn to break the cycle of bad mothering and to build a relationship with their child. The programme is mainly run by mothers who have themselves been helped by Newpin, at a modest cost of just £3,000 per family.

Then there is the Tower Hamlets Youth Counselling Service where 12- to 25-year-olds in trouble are referred by schools and GPs with problems that endanger their social survival: depression, drug dependency, eating disorders, sexual abuse, school problems, crime. There is already a two-month waiting list, which makes little sense in dealing with such emergencies.

Now the health authority has withdrawn all its funding.

Or what of the Nacro programmes, trying to keep offenders out of further trouble? Or the drugs programmes, such as the Maze in Brick Lane, run by the YWCA, counselling 2,000 young people a year in schools or in a drop-in café, helping them and their families? It will now have to close.

The other schemes, all 140 of them, were originally taken up by the health authority because they are designed to catch problems early, in order to avoid far more expensive treatments later. One offers care for Alzheimer's sufferers, to give their carers a respite to stop

them breaking down under the strain and having to put their relatives into a home.

Are these cuts prudent? Is this what the Chancellor means by prudence? No, they are wildly profligate short-term cuts that will quickly lead to far greater expense. Of course, we cannot prove that to the Treasury, the arch-short-termists. These schemes are run on a shoestring and no one has the money for proper social monitoring to prove how well they work, or exactly how much money they save. But if they keep only a small proportion of people out of institutions, they must save their costs a hundredfold.

The health authority is well

aware of that, but what can it do? Part of its debt arises out of having to cope with greatly increased numbers of mental patients, diverted from prisons, who need expensive, secure accommodation. (Unfairly, money does not follow them out of the prison system.)

So what of the local authority? Shouldn't it be paying for some of this? No. Dirty poor Tower Hamlets, with 20 per cent unemployment, has to claw back £9m this year and a further £3m next. "What are we to cut?" asks the chief executive, Sylvie Pierce. "Our youth service. Our drug service? It's heart-breaking." She talks of the downward spiral in drugs.

crime and unemployment, and yet she, too, will have to cut prevention projects.

She gives another example of the finances of madness: Tower Hamlets council will have to cut care packages for frail old people waiting to leave hospital. So the health authority will find even more of its beds blocked with people who do not need to be there, costing £2,100 a week each, when a fraction of that money would keep them comfortably elsewhere. But the local authority also protests that economies in the NHS pushing people out of beds early, has put huge financial pressure on their community care budget. And so, with the greatest sympathy for one another, the two authorities dump people from one budget to the other. This economic insanity happens all around the country.

Although this is mainly a tale of acute shortage of funds, it is made worse by a lacuna in public policy that successive governments have failed to fix. Four budgets – health, local authority, social security and criminal justice – all stand to gain from projects that keep people out of dependency on the state. Yet naturally all are eager to push the costs of such projects on to one another. There are some joint funding schemes, but they are usually the first to go in hard times. What is needed is an overarching organisation to provide these social programmes with ring-fenced money and the power to take slices of funds out of the relevant departmental budgets. That is the only way we can ever shift money out of expensive acute services – the here and now – into cheaper prevention, with savings for the future.

The nation is in the grip of panic about imminent social collapse – tearaway children, abominable parents, neighbours from hell and drug-driven crime. Yet something has gone wrong with the body politic. The wires have short-circuited, the link from all that social anxiety has become disconnected from the part of the brain that knows perfectly well what would put things right: money, money and money.

So what would a prudent Budget be? Would it be these reckless cuts in the few threadbare projects that try to hold the social fabric together? Well, if taxes are cut tomorrow, save your money to spend on a better burglar alarm, car security system, bars, railings and insurance policies. Is that what feel-good really feels like?

Television is missing one colour

Three writer-directors tell Emma Daly that BBC1 will not accept black characters

Would you watch *Bridgetower* – a true-story costume drama about an 18th-century black violinist, the son of a slave and so talented that Beethoven wrote for him – on BBC1?

Well you can't, because Kofon Lee, the writer and director who pitched it to the Corporation, was told that a story with a black lead character was "not mainstream" and therefore could not run on the main channel.

"I've worked on 'mainstream'," says Lee, a writer on *EastEnders* and *Byker Grove*, "but what I'm finding with ideas I'm putting up is that as soon as one or more of the lead characters is non-white the shutters come down, the experience is no longer universal." Still, Lee has now made it to BBC2 – not with the violinist, but as the director of *Phoenix*, a story of racial hatred and revenge which is part of the "Crucial Tales" series of "black and Asian" films that began last Saturday night.

Ironically, the four stories in the series – *Phoenix* apart – are not about "black" issues. The first, *I Bring You Frankincense*, is the story of a boy of mixed race, but it is as much about whites as blacks, says its director, Ngozi Onwurah. "It is a coming-of-age story, a kid who's an outsider trying to find himself." As such, it reflects the experience of many, she says: "I've only ever met four or five people who were insiders growing up... Anyone could relate to [the film]."

Spiders and Flies is a film noir, but not a "black" film, despite the absence of a single white face. It is a thriller that could just as easily be cast with white actors. *Revolver*, set in a pirate radio station, also has a mixed cast with a black heroine; its writer and director, Avril Russell, has written for *The Bill*.

"A lot of black stories, especially black British stories, would not have an absence of white people," says Ms Onwurah, daughter of a black Nigerian father and white English mother. "My life has a lot of white threads running through it." She is evidently able to direct white casts, having worked on *Heartbeat* and *South of the Border*; she also made a feature film, *Welcome II the Terrordome*.

Jonni Richardson, the writer of *Frankincense*, finds it "uncomfortable" to be perceived as a "black" writer, despite the fact that he firmly identifies himself as black rather than half-white. "Labelling it 'black drama' makes it somehow different from other drama. There's good and



'Revolver' has a black heroine but black lead characters rarely make it to the small screen

bad drama and that's the only criterion, surely?"

Europe Singh of the BBC education department, which helped to fund "Crucial Tales", says the series was intended to encourage black writers in television, to help them learn the disciplines needed for mainstream television. "There can no longer be the excuse that there aren't black writers to do the writing," he says.

Black writers and directors know well that they are in a difficult business, that it is never easy to have films made, that all film-makers want bigger budgets. But they also believe that the very idea of minority programming creates a vicious circle from which they cannot escape.

First, "ethnic" strands run on smaller budgets than "mainstream" shows – "I don't know why people think black film-making is inherently

cheaper...," says Ms Onwurah tartly. "Black means small budget and low production values," adds Mr Richardson. "It makes our job even harder."

Second, the bosses seem to apply lower standards to "black" projects. "I just get away with so much more when I'm doing black stuff than when I'm doing white stuff," Ms Onwurah says. "We need people to apply the same rigour to us as they do to anyone else." As Mr Richardson puts it, "I'll be happy to be judged alongside everybody else... I'd rather be a 'crap writer' than a 'good black writer'."

Third, "ethnic" shows are usually broadcast out of primetime, and therefore have little chance of gaining a wider audience than the schedulers expect. Ms Onwurah points out that black culture

is huge in Britain, at least among its youth – black music, fashion and slang is widespread in this country. So why not "black" television?

"I actually like the BBC, there's a lot of high-calibre people at the BBC, and if you could talk to them more, and show them more...," Ms Onwurah's voice trails off in frustration. "What we are looking for is the breakthrough programme that has a black soul and gets a white audience, and then we'll be on easy street for a bit."

There are many other examples of the *Bridgetower* sort – the teen soap, the black "twentysomething", the sci-fi story with a black lead – and each of the writers throws "for instances" about, describing their experiences and those of friends. But the rules don't apply to foreign programmes, such as the American imports *The Cosby Show* and *Fresh Prince of Bel-Air*, which are scheduled as mainstream. "I don't see how those can cater for a widespread audience when homegrown stuff can't," Mr Richardson says. The exception in this country, of course, is Lenny Henry, who is not perceived as black, it seems, by the BBC or by the audience of *Chef!* and his other shows. As it happens, Crucial Films, the company commissioned by the BBC to make this latest series, is owned by... Lenny Henry.

The fact that Lenny's company was commissioned to do this is telling, Mr Richardson says sardonically. He speaks of "entrenched racism" at the BBC: white programmers still perceive black writers as "different", and still believe the stereotypes. "I'm not hip and I can't dance," says Mr Richardson, who has been asked if he is capable of writing for white characters. "As a black writer you think you have a specific voice. To be asked 'Do you do white?' is outrageous."

The BBC's Mr Singh wants black writers to come through so, for example, they can write convincing black characters for soaps such as *EastEnders*. But the three writer-directors I spoke to don't want to write convincing black characters for soaps, but convincing characters full stop. They want the chance to make their own films and tell all manner of stories, black, white or multi-coloured.

Mr Richardson asks with a laugh if he has been whingeing too much, but his frustration is all too evident. "No wonder people think we have chips on our shoulders. We're fighting so hard and all we want is to be treated like other people."

Crisis in Central Africa



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High hopes for trial results, and even for profits, as bio-babes report

A company which has suffered losses of nearly £100m in the past five years and enjoys a stock market valuation of approaching £1.5bn is the most intriguing entry in this week's profit stakes.

It could, of course, only be a runner in the fledgling, blue sky biotech industry where investment hope springs eternal. British Biotech, the biggest and most advanced of the biotech babes, is hardly likely to break the habit of its brief lifetime this week.

Another deficit will be the result of its research burn as it pushes ahead with the development of its Marimastat cancer and Lixapanat pancreatic treatments.

The size of the deficit will not be the main debating point, the progress report is regarded as much more important.

Although Marimastat is the flagship drug, Lixapanat is its most advanced offering. Hopes are running high -

they always are with blue sky groups - there will be some impressive news on the pancreatic front.

At the end of July, the phase three trial, covering 250 patients, was completed. The patients were then checked for the next 28 days and examination of the subsequent data started in September.

Results should be declared with the figures on Wednesday. Should the positive display in the phase two trials be confirmed, British Biotech could have a winner on its corporate hands and would submit an application for European Marketing Authorisation. If successful, British Biotech could have the satisfaction of a drug on sale in a year or so.

The size of the pancreatic market is the subject of some debate. Around £300m seems the median figure.

British Biotech is one drugs group out short of cash. In the summer it raised £143m through a rights issue which under-

whelmed its shareholders. They took up only 49 per cent, with the rest left with underwriters.

The shares have had a roller-coaster run over the past year. They took up only 49 per cent, with the rest left with underwriters.

Another biotech enigma, ML Laboratories, reports year's results today. There are expectations its faithful followers will be rewarded with the sight of a profit - something which still eludes most biotech babes.

Last month stockbroker Panmure Gordon forecast profits of £5m. It went on to suggest £12m this year and for 2000 has set its sights on £100m.

ML's climb from losses has had a negative impact on its shares. They have been in steady decline since the



Kevin Leech, who made his fortune building up his family's funeral business and selling it to the Co-operative Society. He still has 54 per cent of ML, probably the first of the current generation of bio-babes to come to market - it arrived in the middle of the 1987 crash.

The group developed a successful treatment for kidney dialysis patients and a dry powder asthma inhaler. It is now focusing on AIDS and cancer drugs.

After an uninspiring week shares were engulfed by a surge of pre-Budget rapture on Friday. Even so, the gap between London and New York has yawned wider in recent weeks as the Dow Jones Av-

erage has turned on a rampant display, hitting eight consecutive peaks.

This week London will, of course, be dominated by the response to the last Budget of the present Parliament. There are, in some quarters, suggestions any give-away will be poor for sentiment and that a restrained exercise will remove some of the uncertainty which has bedevilled shares in recent weeks.

Each year activity in the Budget run-up is subdued. This year its inhibiting influence has lasted longer and probably been more pronounced. Soar-away sterling and fears of higher interest rates have contributed to the malaise.

Yet political worries have not been such a telling influence as many expected. It is difficult to decide whether the market has already factored in a Labour Party victory at next year's election.

Certainly there is a widespread expectation that shares

will once again enjoy their Christmas spree, irrespective of the political climate. However, the festive season is usually highly technical with price movements often exaggerated by the low trading volumes.

Even after Friday's exuberance the Footsie blue chips index is still 54.4 points below its peak, hit last month. This year Footsie has lagged miserably behind the Dow Jones Average, underlining the decoupling between Loddoo and New York.

Second and third-line shares have often experienced subdued conditions since performing well in the first four months of the year. There have been complaints that trading in shares of medium and small companies has become increasingly difficult in the past few weeks.

One fiddler that has had a volatile time since it arrived four years ago is Tadpole Technology, the computer group. Its

shares were placed at 65p. Two years ago they hit 432p and after plunging the depth to 30p are now 36p. Like a biotech company it is prone to losses.

Its figures are expected on Friday, an appointment with the market the company has yet to confirm. Last year it lost £9.9m, compared with hopes of profits of £10m, and could well experience a £3.5m setback this time.

Utilities, once again, are among the big battalions reporting. National Grid and Severn Trent have chosen to-morrow, Budget Day, to produce figures.

Sharing a day with the Chancellor is often a sign that disastrous results are due. It is felt little attention will be paid to them because of the saturation Budget coverage. Such considerations are unlikely to have influenced the two utilities - National Grid should produce £304m (£278.9m) and Severn Trent £210m (£189m).

STOCK MARKET WEEK

DEREK PAIN

Stock market reporter of the year

summer, falling from 468.5p to 269.5p on Friday. Even so, the company has a stock market value of around £380m.

It is largely the creation of

Tadpole Technology

the group developed a successful treatment for kidney dialysis patients and a dry powder asthma inhaler. It is now focusing on AIDS and cancer drugs.

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Luxembourg 4.25%

Belgium 2.50%

Control 3.00%

Sweden 100%

Denmark 3.25%

Switzerland 100%

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business & city

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BUSINESS & CITY EDITOR: JEREMY WARNER

Westcountry chief pockets £4m from bid

Matthew Horsman
Media Editor

The chief executive of Westcountry Television, Stephen Redfern, is to pocket up to £4m following the dramatic £85m knock-out bid from Michael Green's Carlton Communications for the South-west of England ITV franchise.

The surprise weekend deal was also expected to re-ignite takeover frenzy in the commercial television sector, with attention turning to HTV, the ITV company for Wales and the West.

Both Carlton and Lord Hollick's United News & Media, which was widely tipped to win Westcountry, were seen as likely bidders for HTV.

Mr Redfern will receive between £3.5m and £4m from the deal, as part of long-term incentives totalling £5m for Westcountry staff. Mr Redfern was instrumental in putting together the consortium that won the franchise in 1993.

Carlton's move, which saw Westcountry snatched from the

odds-on favourite at the 11th hour, is likely to deepen the rivalry between Mr Green and Lord Hollick. United's aggressive and acquisitive chief executive, both of whom are intent on taking part in the wholesale consolidation of the ITV sector sparked by the recent relaxation of ownership rules.

United had hoped to stitch together an ITV empire stretching across the South of England and Wales, grouping its own Meridian and Anglia franchises with Westcountry and HTV. The company had spent nearly two weeks haggling over the terms of its bid for Westcountry, while Mr Green's late offer was accepted in just two days.

Michael Green has just blown Hollick's strategy to bits, "an insider at HTV said. Sources at Westcountry said that tensions between United's negotiating team and Westcountry, particularly over minor details and what one source called "nickel and dime" tactics from Lord Hollick, were a chief reason United failed to clinch the deal. Lord Hollick, widely

viewed as a shrewd, if at times overly aggressive, negotiator, was unconvincingly described yesterday as "disappointed but far from livid" at the outcome.

Carlton's bid was made directly to the company's main shareholders - Daily Mail & General Trust, Britany Ferries and South West Water - late Wednesday and was £10m higher than United's offer of around £75m. Westcountry is expected to earn about £8m this year, but is heavily dependent on the Channel 4 levy and a programme subsidy from ITV that is likely to be phased out.

The deal marked a rare, if expensive, victory for Mr Green, who has been wrooth-footed twice by Lord Hollick - first when United News & Media merged with Lord Hollick's MAI group early this year and more recently when United beat Carlton to a 30 per cent stake in HTV, sold by Scottish Television. The Westcountry victory was seen as a crucial indication that Mr Green would not sit idly by as the ITV map was redrawn.

At issue are the key airtime sales arrangements in the ITV sector, which are set for further consolidation. HTV and Westcountry's airtime sales are currently handled by United's sales house, TSMS, but Carlton Sales is expected to take the tiny Westcountry business next year. Analysts said Lord Hollick could not afford to see HTV's sales also move to Carlton, which owns the London week-



Pipped at the post by Carlton: Lord Hollick is now likely to bid for the HTV franchise

Photograph: Kaye Brimacombe

CrestCo to claim problems have been ironed out

Jill Treanor

The managers of Crest, the City's troubled new automated share settlement system, will make a stout defence today against calls by the system's users that Crest's full implementation should be delayed while glitches are ironed out.

The board of CrestCo, the company which funds Crest and represents the brokers which use it, meets today to decide whether the old paper-based system should be kept running in parallel with the new one until the latter works properly. The Crest system has had problems handling large dealing volumes.

Geoffrey Turner, chief executive of the Association of Private Client Investment Managers and Stock Brokers, repeated his call last week for a delay in closing down Talisman, the current settlement system, for another six months after the April bandover deadline. The hefty cost of running the two systems at the same time should be paid by the market, Mr Turner said.

But Paul Symons, manager of Crest, said "great improvements" had been made since the "dark days of October".

"That's our belief. The board must sit down and see if the improvements are adequate," Mr Symons said. He cited statistics which showed that 75 per cent of deals were being handled within two minutes, compared with 25 per cent around three weeks ago.

Alarm bells have been ringing in the City over the past few weeks because of teething problems with Crest. This has prompted speculation that the CrestCo board could suspend new shares being listed on the system or at least delay the decommissioning of Talisman in April.

However, David Jones, chief executive of phone share-dealing company ShareLink and a member of the CrestCo board, indicated he would resist any call for further delays to Crest. "At the moment it should proceed as planned. It would be premature [to make delays] for the next month or so," Mr Jones said.

There have been delays in transferring money to stock brokers' accounts, which could raise capital adequacy problems. This has prompted the Securities and Futures Authority (SFA), the City regulator, to make visits to City firms.

IN BRIEF

• **BZW**, the investment banking arm of Barclays Bank, has been appointed strategic adviser to the Spanish government for the \$11bn privatisation of Edesa, the country's biggest utility company. Spato floated 34 per cent of the electrical generator and distributor on the New York Stock Exchange 10 years ago, and has now instructed BZW to advise on privatising the remaining 66 per cent in three tranches over the next three years. Edesa is one of the largest quoted utilities in Europe, with a market capitalisation of \$16.5bn.

• **Antti Pankaskoski**, chairman and chief executive of Cunard, told the BBC's *Money Programme* last night he would consider any offer for the company from a "serious buyer". "Obviously, what we would do if there's a serious interest from a serious buyer or from a serious corporation partner, we would look at that and run an analysis on that." Pressed on whether he was open to offers, Mr Pankaskoski said: "You could say that if an offer comes, we'll analyse it and see."

• **Hambro Countrywide** has clinched an agreed £8.4m cash bid for RPT Management Services to boost its London residential property investment and management side. The offer for the Finelby-based company is 114p in cash for each RPT share with a loan note alternative and with shareholders being entitled to retain RPT's interim dividend of 1.5p. RPT has net assets of £338.019 and Hambro Countrywide says it sees residential letting in London as a growth area.

• **PatientLine**, a three-year-old company which provides bed-side phone and TV services to hospital patients, has raised £6.3m to fund a roll-out of its services in 25 NHS hospitals over the next four years. Colin Alton, the founder and chief executive of the Slough-based company, is raising the money from Mercury Private Equity, the venture capital arm of Mercury Asset Management, in exchange for a 42 per cent equity stake in PatientLine. The company sells its services direct to hospital patients via smart cards. PatientLine made losses of £600,000 for the past two years, but aimed to be in the black by next year, said Mr Alton.

• **Northern Electric** is expected to reveal a big increase in half-yearly profits later this week as CE Electric, the US-owned company behind a £766m all-cash takeover bid, prepares to announce how many Northern shareholders have accepted its offer. Investors in Northern have until 3pm tomorrow to accept the offer, which values the Newcastle-based group's shares at 630p. The results for the six months to the end of September, which have been brought forward as part of Northern's bid defence and must be published by Friday, are likely to forecast strong profits growth for the full year in next March.

• **Nynex CableComms**, one of three UK cable operators involved in a £5bn alliance with Cable & Wireless, will put BT under pressure with the launch of what it claims is a cheaper digital voice and data service. The Nynex ISDN service, aimed at small business customers, will cost £285 to install, with quarterly line rental payments of £66. The company says this is £80 cheaper than the lowest-cost BT ISDN package. Nynex's services will be branded as Cable & Wireless Communications from the spring.

AT&T steps up attack on BT takeover

Crisis Godsmark
Business Correspondent

The US telephone giant, AT&T, will today intensify its onslaught on the proposed £12bn take-over of rival MCI by British Telecom with a strong attack on the way the UK phone market is regulated.

Merrill Tutton, head of AT&T's British operations, will tell a conference of managers who run large company phone networks that the market is in danger of being carved up by BT and Cable & Wireless into a new duopoly.

The attack is likely to put further pressure on Doo Cruickshank, the industry regulator, as he discusses approving the BT-MCI link-up with his counterparts in the US watchdog, the Federal Communications Commission.

The FCC has already made clear that it will only give BT the go-ahead to increase its stake in MCI from 34 per cent to 100 per cent if it can prove that the British phone market is as liberal as the US market.

Elaborating on the criticism already made by AT&T's chairman, Robert Allen, Mr Tutton

will tell delegates that the key principle behind competition in the UK, which encourages operators to build rival cable networks, is acting as a barrier to genuine customer choice.

Although several firms have constructed national trunk networks since deregulation in 1991, BT still controls its local infrastructure, which takes phone wires to the home. In addition, cable companies are constructing their own local networks, some of which will be merged with Mercury's trunk system when Cable & Wireless's £5bn deal with Nynex

CableComms, Bell Cablemedia and Videotex is completed next April.

However, AT&T has complained that its UK customers can only use its service after first dialling a special code to gain access to the network.

The "indirect access" principle also means customers have two bills, one from the long-distance company and one from BT for use of the local infrastructure.

In the US, all operator firms have equal access through local phone companies, the so-called baby bells. "The technical har-

riers to moving from indirect access to equal access in the UK are not difficult. It's the political will to do it that's needed," said an AT&T source.

The US group launched its first UK service in January and has signed up some 500 business customers, including Rover and Texaco, and an undisclosed number of residential users.

However, both Ofel and the Government are likely to reject the criticism on the grounds that deregulation in the UK has succeeded in bringing billions of pounds of investment in the local cable networks.

Supermarkets bag a greater share of the drinks trade

John Willcock

Supermarkets have increased their share of the take-home drinks trade by 14 per cent to 64 per cent over the past six years at the expense of traditional off-licences, and are set to widen their lead despite planning curbs on new superstores.

According to a survey by Verdict Research, published today, supermarkets such as Tesco will in future benefit from better marketing and buying power and will continue to win market share from specialists such as Thresher and Victoria Wine.

Traditional off-licences have seen their share of the take-home market tumble from 40 per cent in 1990 to 31 per cent today. Yet the market itself is booming.

The total drinks market has

grown by just over 48 per cent since 1988, while the off-trade sector has expanded at nearly twice that rate, by 82 per cent.

If anything, the Verdict survey says, the trend is "picking up speed". By the end of this year, take-home drink sales will be worth £8.5bn, equivalent to £400 for every household in the country. This compares with almost £4.7bn eight years ago, when take-home accounted for a quarter of all drink sales. Today take-home sales are 31 per cent of the total.

Tesco has led the charge for the supermarkets, growing its share of the drinks market by nearly a third in the past four years alone. Tesco now has 13.9 per cent of the national drinks market, overtaking the previous leader, Sainsbury's, which has 12 per cent.

The other winner has been

Safeway, which has grown its share by a fifth, while Asda has grown by a more modest 5 per cent.

This growth has left the specialist drinks retailers with just two champions of any size, Thresher and Victoria Wine. Both are around four times the size of their closest rival, Greenalls.

The Verdict survey says there has already been considerable consolidation in the sector and there is little scope left for more mergers.

Specialists have reacted by going up market in an attempt to use their wine credentials to differentiate themselves from the grocers. Some of them have also embraced the convenience store concept. Thresher through its Hutons chain and Greenalls through Greenalls Food Stores.

In the specialist sector,

Thresher, the leading off-licence chain, has streamlined its business and market share has fallen from 9.1 per cent four years ago to 7.9 per cent today. Its closest rival, Victoria Wine, has moved in the opposite direction, growing its share from 5.3 per cent to 7.1 per cent.

Verdict warns that there is still a big competitive challenge to UK retailers from France. "The spectre of cross-channel trade still looms ominously over the drinks industry as a whole," it says.

Both legitimate and illicit cross-channel drinks buying wiped an estimated £4.18bn off the domestic trade last year, or 15 per cent of the total market. "Contrary to common belief, the problem is a nationwide one and by no means restricted to the South-east," Verdict says.

STOCK MARKETS									
FTSE 100									
	June	July	August	September	October	November			
Index	4018.70	+60.5	+1.5	4073.10	3632.30	3.94			
FTSE 250	4411.30	+1.4	+0.0	4508.60	4015.30	3.85			
FTSE 350	1997.10	+23.0	+1.2	2022.10	1816.60	3.98			
FTSE SmallCap	2163.91	-1.5	-0.1	2244.36	1954.06	3.18			
FTSE All-Share	1909.77	+21.6	+1.1	1994.54	1781.95	3.81			
New York	6471.76	+123.7	+1.9	6471.76	5032.84	2.06			
Tokyo	21216.11	+298.4	+1.4	22068.80	19734.70	0.761			
Hong Kong	13116.79	+227.4	+1.8	13167.16	10204.87	3.131			
Frankfurt	2763.69	-32.1	-1.1	2795.80	2253.36	1.661			
Source: FT Information									

INTEREST RATES									
UK interest rates									
Bank of England base rate (0-25 year gilt)	6.00	6.94	7.23	7.63	7.54	7.77			
91 day T-bill	5.94	5.72	6.14	5.92	6.42	6.25			
3 month T-bill	5.43	5.94	5.83	5.88					
6 month T-bill	5.00	5.25	5.81	6.25	6.70				
US interest rates									
Bank of England base rate (0-25 year gilt)	5.50	5.50	5.50	5.50	5.50	5.50			
91 day T-bill	5.50	5.50	5.50	5.50	5.50	5.50			
3 month T-bill	5.50	5.50	5.50	5.50	5.50	5.50			
6 month T-bill	5.50	5.50	5.50	5.50	5.50	5.50			
Money Market Rates									
Index	1 Month	3 Month	6 Month	9 Month	12 Month	18 Month	24 Month	36 Month	48 Month
UK	6.00	6.94	7.23	7.63	7.54	7.77			
US	5.94	5.72	6.14	5.92	6.42	6.25			
Japan	5.43	5.94	5.83	5.88					
Germany	5.00	5.25	5.81	6.25	6.70				
Bond Yields									
Index	1 Month	3 Month	6 Month	9 Month	12 Month	18 Month	24 Month	36 Month	48 Month
UK	6.00	6.94	7.23	7.63	7.54	7.77			
US	5.94	5.72	6.14	5.92	6.42	6.25			
Japan	5.43	5.94	5.83	5.88					
Germany	5.00	5.25	5.81	6.25	6.70				
Commodity Prices									
Index	1 Month	3 Month	6 Month	9 Month	12 Month	18 Month	24 Month	36 Month	48 Month
UK	6.00	6.94	7.23	7.63	7.54	7.77			
US	5.94	5.72	6.14	5.92	6.42	6.25			
Japan	5.43	5.94	5.83	5.88					
Germany	5.00	5.25	5.81	6.25	6.70				

CURRENCIES									
Pound vs.									
	June	July	August	September	October	November			
\$ (London)	1.5812	+0.1476	1.5600	1.5548	-0.43	0.6410			
\$/N York	1.5800	+0.1506	1.5608	1.5517	-1.25	0.6407			
DM (London)	2.5255	+1.2194	2.2108	1.5023	-0.0641	1.4186			
¥ (London)	186.986	+11.843	158.179	111.225	+0.125	101.345			
£ Index	92.5	+0.5	83.0	83.0	-0.2	83.7			
Dollar vs.									
	June	July	August	September	October	November			
£ (London)	0.6324	+0.1476	1.5600	1.5548	-0.43	0.6410			
\$/N York	1.5800	+0.1506	1.5608	1.5517	-1.25	0.6407			
DM (London)	2.5255	+1.2194	2.2108	1.5023	-0.0641	1.4186			
¥ (London)	186.986	+11.843	158.179	111.225	+0.125	101.345			
£ Index	92.5	+0.5	83.0	83.0	-0.2	83.7			
OTHER INDICATORS									
Index	1 Month	3 Month	6 Month	9 Month	12 Month	18 Month	24 Month	36 Month	48 Month
Oil Brent	23.41	+0.41	16.79	153.8	+2.70	140.7	12 Dec		
Gold	378.85	+0.80	383.60	108.9	+2.30	105.7	12 Dec		
Gold E	224.15	+1.50	245.77	Base Rates	-	6.00pc	6.75		

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GAVYN DAVIES

Adding together the "automatic" changes in tax and spending, the PSBR will decline by about £4bn if the Chancellor simply stands up, says "a bit chilly for the time of year", and sits down again.

The extra billions Clarke has up his sleeve

Ken Clarke will almost certainly stand up in tomorrow's Budget speech and claim that he is performing the Chancellor's hat trick – a simultaneous reduction in taxation, in public borrowing, and in public spending. He will also claim to be cutting the spending total while simultaneously ensuring that extra resources are devoted to the main government services such as health and education. In a sense, he will be right in claiming the hat trick. A combination of careful planning over a number of years, along with a certain amount of good fortune in recent months, has placed him in a position to substantiate the claim. But in order to understand what it will all really mean, we need to delve a little into the Treasury's conjuring box.

The first thing to realise about budgets is that the policy changes which are announced every November represent only a small part of what really determines changes in the public sector borrowing requirement (PSBR) from one year to the next. Typically, there is a table at the front of the official Red Book which summarises the impact of the Budget measures themselves. The net impact is usually very small. For example, last year the Chancellor announced new cuts in taxation which amounted to £3.1bn, but he also reduced public spending by £3.3bn, so the net effect of the Budget was to cut the PSBR projection by only £0.2bn. But this was not really a fair measure of the impact of policy changes on the PSBR in 1996/97.

First, previously announced increases in the real level of duties on tobacco and fuel raised the burden of tax by several hundred million pounds in 1996/97, but this did not appear as part of last year's new Budget mea-

asures. Second, there was (as always) the "natural" growth in the tax take as percentage of GDP which follows automatically from real growth in the tax bases such as wages and consumer spending. (The Treasury indexes the tax system to eliminate the impact of price inflation, but it does not remove the effect of real growth in items such as wages.) This probably put at least another £2bn into the Treasury coffers without the Chancellor needing to acknowledge it at all. And third, the baseline for public spending already included a large dose of fiscal restraint which had been announced in earlier plans. In fact, the control total for public spending was planned to fall by about £8bn compared with the level which would have been reached on the "neutrality" assumption that spending normally grows in line with trend GDP.

In total, this adds up to over £10bn of fiscal tightening which was automatically due to take effect when the Chancellor stood up to speak last November. He then cut both taxes and spending by £3bn, thus leaving the whole of this baseline tightening in place. In theory, then, if the economy had grown at its trend rate of 2.2 per cent this year, the PSBR should have dropped by £10bn. In fact, it has only dropped by £8bn, mainly because of a small forecasting mistake – the level of nominal GDP has been a little less buoyant than was expected by the Treasury last year. But this just demonstrates how unimportant the Budget itself can be compared to the built-in factors which change the PSBR without the Chancellor appearing to announce anything at all.

This year, the same forces will be at work, though to a smaller extent. On tax, real fiscal

Medium-term PSBR projections					
	1997/98	1998/99	1999/00	2000/01	2001/02
£bn					
1995 Budget	29	22.4	15	5	-14
1996 Budget	22.4	15	5	-2	-14
1997 Budget	15	5	-2	-14	-20.9
Goldman Sachs forecast	32.2	24.1	20	14.7	9.9
PSBR of GDP					
1995 Budget	4	3	2	0.75	-1.5
1996 Budget	3	2	0.75	-1.5	-2.25
1997 Budget	2.5	1.75	1	0	-0.5
Goldman Sachs forecast	4.5	3.25	2.5	1.75	1

drag and the rise in tobacco and fuel duties will once again add £2.5bn to the level of receipts next year, but £1.5bn of this will be eliminated by the second year impact of the tax reductions announced in 1995. Thus the automatic rise in taxation is only about £1bn. On public spending, the baseline cut in the real control total next year is scheduled to be about £3bn, but privatisation is due to drop by £2.5bn, leaving an overall cut in the spending total of £2.5bn. Adding together these "automatic" changes in tax and spending, the PSBR will therefore decline by about £4bn if the Chancellor simply stands up, says "a bit chilly for the time of year", and sits down again.

This figure should not be forgotten when assessing the impact of tomorrow's Budget. Almost everybody has recommended that the fiscal stance should be tightened, from the Treasury panel of "wise persons" to the CBI, to the Economist newspaper and Keo Liv-

ingstone himself. (Yes, Ken Livingstone. I mention him because his remarks on the BBC's *Any Questions* brought home how much the Labour Party – the whole Labour Party and not just the "new" wing – has really changed on fiscal rectitude. He said that, whoever wins the election, the next Chancellor will almost certainly have to raise taxation by £15bn in order to correct the problem of excess public borrowing and to bring down the national debt. This, from the unrepentant "Left" of the people's party.)

Anyway, back to the Budget. The point is that Mr Clarke has squirreled away £4bn with which to tighten the fiscal stance. This will take effect even if there is no Budget at all tomorrow. So if he does what is generally expected, cutting the total tax burden by £2.3bn, and also reducing public spending by the same amount, the fiscal stance will actually tighten by the same £4bn between this year and next. In other words, a neutral package on the day will actually deliver the fiscal tightening which Mr Livingstone and other well-known fiscal hairshirts have been asking for.

This leaves the question of how he can appear to cut the public spending total while also announcing increases in the types of public spending which people actually like, notably health and education. Three factors help him here. The first is that last year's overall spending plans included a reserve of £5bn which was not allocated to specific departments. He can now cut this to £2.5bn, thus reducing the spending total without hitting any of the government departments. Second, unemployment has fallen much more sharply than expected last year, and this will take at least £0.5bn out of the social security budget. It can be added to other departments, like health. Third, inflation is once again lower than expected a year ago, so there is less pressure on the wages of public employees across the board.

The combination of these factors means the Chancellor will be able to add considerable sums to health and education, compared to previous plans. But when listening to the Budget, remember that Mr Clarke will have to add £1.4bn to his previous unrealistic low plans for the health department simply to allow NHS spending to grow in line with the rest of the economy. Anything less than this tomorrow means a relative cut in health spending.

A final point. Whoever wins the election, this is likely to be Mr Clarke's last budget. He inherited a PSBR of £46bn, and he will bequeath to his successor one of £20bn. Still too high, perhaps, but much better than it might have been.

Oil industry 'falls to 48-hour work rule'

Chris Godsmark
Business Correspondent

The European Commission plans to extend the scope of its controversial legislation on working hours to include workers in the North Sea oil industry, according to some of the largest oil and gas producers. The UK Offshore Operators Association, which represents oil companies including BP and Shell, said it believed it had lost a long-running campaign to maintain the exclusion for employees working on offshore rigs and platforms. Any move to extend the law will be likely to damage further relations between the commission and the UK government, which has pledged to fight the directive following a recent setback for ministers in the European Court of Justice.

The legislation, which came

into effect across the EU last Saturday, limits employees to a maximum 48-hour week and imposes controls on rest periods and night shifts.

A draft white paper examining excluded industries, prepared by the office of the social affairs commissioner, Padraig Flynn, is thought to have come down in favour of extending the directive to the offshore oil and gas sector.

Andrew Searle, from the Offshore Operators Association, said: "We are absolutely confident and adamant that our industry has lost its exclusion. We've been lobbying the European Commission for 18 months and we are sure there is no reference to our industry maintaining its exclusion from the legislation. This is of enormous concern to us."

The offshore oil industry, which comes under the category

of work at sea, was one of eight sectors excluded from the original European law on the grounds that employees involved worked unusual shift patterns. The directive has been treated as a health and safety measure by the EC and is therefore not covered by the British opt-out from legislation in the Maastricht Treaty.

Most offshore employees work 12-hour shifts every day for two weeks, followed by two weeks' leave at home. Though over a four-month period, total hours would generally be within the 48 stipulated by the directive, the industry is more concerned with other rules governing shift breaks and night work. These guarantee a minimum rest period of 11 consecutive hours in each 24-hour period and restrict night shifts to an average of eight hours.



Two on, two off: Oil workers have unusual shift patterns

The Offshore Operators Association said this would add millions of pounds of costs to the £1.5bn spent annually on North Sea projects.

However, a spokeswoman for Mr Flynn denied that any final decisions had been taken about industries which could lose their exclusions.

"Nothing has crystallised yet and before we decide, we will be discussing matters with the various cabinets in Brussels. I would describe the oil companies' response as over-reaction," she said.

The final version of the white paper is due to be published in the new year.

Chancellor set to increase growth forecast for 1997

Diane Coyle
Economics Editor

The Chancellor is believed to have increased his forecast for growth next year in the light of signs that the economy is moving up a gear. A modest upward revision would bring the Treasury more closely into line with other economic forecasters and allow it to lop several billion pounds off the Government's planned borrowing requirement.

The new predictions published with tomorrow's Budget are likely to put the increase in gross domestic product (GDP) in 1997 at 3.5 per cent, compared with 3.25 per cent in the Treasury's mid-summer forecast. It will put the Chancellor in the middle of the range produced by his panel of independent forecasters, the six "wise persons".

However, he will remain more optimistic than most

others on inflation. Mr Clarke will have to continue predicting that the Government will meet its inflation target of 2.5 per cent by the end of next year, although he could edge up the forecast from its current 2.25 per cent.

Most experts think the target measure of inflation, the RPI excluding mortgage interest payments, will be closer to 3 per cent a year from now. It stood at 3.3 per cent in the 12 months to October.

Mr Clarke has long insisted that the economy would gather steam in the second half of this year and into next and he has been proved right, not least because of his decisions to reduce interest rates on four occasions between last December and June. Economists in the City and elsewhere have been steadily revising up their own growth forecasts during the past few weeks.

"The Chancellor can

certainly justify moving his own forecast up. The evidence is pointing that way," said David Owen, an economist at investment bank Kleiworth Benson.

One advantage of the move is that it will help justify a more optimistic outlook for tax revenues and government borrowing. According to rule of thumb in a Treasury working paper last autumn, an extra quarter point of growth could reduce the borrowing requirement by up to £6bn after two years.

The embarrassment of severely underpredicting tax revenues last year has made Treasury economists more cautious about their forecast for next year. Even so, the combination of a brighter growth outlook and better-than-expected tax receipts so far during 1996 will allow them to significantly reduce the borrowing forecast.

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science

Rising from the ashes?

When a space rocket explodes, as Ariane 5 did in June, scientists are devastated by the loss of years of work. But on Wednesday some cherished projects could be resurrected. By Charles Arthur

Imagine that you have spent 10 years of your life designing and building your dream house. Imagine the effort, the trials, the tears – and the triumph when you finally stand back to declare it finished.

At which point, a gas leak blows it up. Demolishes it utterly.

Do you think you'd be upset? If so, you're getting a glimpse of the feelings of the scientists who watched the Ariane 5 rocket explode on 5 June as it carried their experiments skywards. For some, the equipment that was destroyed represented the fruits of their professional lives.

"At the launch, I was really thinking, 'This will make my career,'" says Dr Andrew Fazakerley, 31, of the instrument team at the Mullard Space Science Laboratory. He helped build a magnetometer to measure the interaction of the magnetic fields of the Sun and Earth. They did recover what was left of it: twisted, charred, and in no shape to do magnetometry any more.

Also wrecked was the promise of the data that it would have sent back from its mission. That put paid to any research papers that might be written from that data. So it's not only 10 years' past work gone in a flash; it's future work too. "The questions have been piling up for 30 years, and this would have answered them," he says.

To pile on the pain, many of those same scientists had to go through it all again last week, when the Russian Proton rocket carrying the Mars 96 mission crash-landed in the Pacific Ocean after a booster stage failed.

"I was in the lab on that Sunday," says Dr Fazakerley. "I was with someone who had spent eight years working solely on an experiment for that launch. Straight out of university and into that. Next morning he finds it's not going to produce anything."

"It's very hard to explain this, and how it feels, because most people don't work in that way."

However, there is a gleam of hope for those who lost work in the Ariane disaster: this week, the project may receive a new lease of life.

On Wednesday, the European Space Agency's Science Policy committee meets in Paris to decide whether to go ahead with a project named, appropriately enough, "Phoenix".

The idea would be to rebuild, as cheaply as possible, a mission which would launch those experiments again. A detailed cost analysis has shown that it would cost ESA about £150m to



A dream destroyed: Dr Andrew Fazakerley surveying the ruined magnetometer and its prototype

build Phoenix. By using spares from the original, the price could be held down. "It would be a cheap method of doing it," said Professor Steve Schwartz, announcing the idea on behalf of a team of UK scientists who are backing it.

"Not cheap, Steve – cost-effective," corrected Professor David Southwood, whose team in the physics department at Imperial College, London lost experiments in both failed launches.

However, the British scientists point out that success depends on two things: a quick decision, and a willingness by the Government to find an extra £7m of funding over the next four years to rebuild the equipment for the experiments.

If the decision is not approved by the end of next week, the teams of specialists who have been working on the programmes will start to split up and their expertise will be lost. More than 300 scientists in 20 countries have

worked on the projects. But it's British teams who are most in need of the extra funding.

"Britain was very successful in the original mission in getting more than its share of instruments on board," says Prof Southwood. Three of the 11 experiments were home-grown. "But that means that re-equipping it is a particular problem for us." He puts the cost into perspective by pointing out that it represents just 2 per cent of the amount invested so far across Europe.

He acknowledges that the Treasury seems to be the biggest obstacle to a successful flight of Phoenix. Confronted with the idea of paying to rebuild the scientific instruments, hard-line monetarists (or whatever name they now go by) may say that the scientists should have done what any home-builder would do – insure themselves.

But that was not reasonable, according to Prof Southwood. "We didn't buy insurance, because it's not

sensible for something that's a one-off," he says. "How do you buy another Picasso? It's not the same, even if you get Picasso to paint it again."

Who expected any problem? (Not this writer, who turned down the chance to see the launch in Guyana.) Not Prof Southwood. "I wasn't worried beforehand about the Ariane – especially not its software. [A software fault led to the rocket's self-destruction.] And the [Russian] Proton is a workhorse spacecraft – I didn't expect problems there."

To which the monetarist might answer: what's the use of the work, anyway? The Cluster experiment would measure the gusts of charged particles flowing from the Sun, to help understand how the Earth's magnetic field protects us from them. Four spacecraft would be needed, to give a three-dimensional picture of the interaction.

And what does that have to do with

the price of fish? Coincidentally, on the day the British team was setting out its call for ESA and government approval, a panel of US government scientists announced that the Sun is entering a three-year weather "cycle" which will send out electromagnetic storms through space that could affect industries such as power supply, satellite communications, oil drilling and rocket launches. The last time it happened, electricity supplies in Canada were severely affected. The Cluster instruments would have been ideally placed to measure these changes and help scientists understand them. Not just the stuff of ivory towers.

But until Wednesday, the teams will have to wait, wondering quite where their lives go from here. "If Britain declared that we can't deliver the instruments for Phoenix, then everybody would know that it's not worth going ahead with it," says Prof Southwood. "We don't want to spoil the ship for a ha'porth of tar."

The stars at night

The sky as it will appear at 10pm in mid-December



The planet Jupiter, a brilliant feature of this autumn's skies, is now growing fainter and setting earlier. Mid-month, it goes down just two hours after the Sun. But Saturn is still with us, shining steadily in the south west throughout the month.

Above Saturn lies the Square of Pegasus, and higher up again the Andromeda Galaxy. Visible only on dark nights, when its faint glow is not drowned out by moonlight or light pollution, the Andromeda Galaxy is the nearest large star-city to our own Milky Way – some 2.2 million light years away, or 13 million million million miles (21 million million million km).

In the east, look for the beautiful little cluster of stars called the Pleiades, or Seven Sisters. Along with bright red Aldebaran, the Pleiades are the forerunners of the brilliant winter constellations: Orion the hunter, Gemini the twins, and the two dogs – Canis Major and Canis Minor.

The early morning skies are graced by two planets. Mars is rising just before midnight, under the crouching shape of Leo, the lion. Low in the early dawn sky, you can spot the brightest planet of all, lovely Venus.

The night of 13-14 December will bring one of the year's most spectacular displays of shooting stars. Meteors from the Geminid shower will rain down from the north-east part of the sky, possibly at the rate of one a minute. These "shooting stars" are not stars at all, but fragments from an asteroid, Phaeon, that crosses the Earth's orbit. At its closest to the Sun, Phaeon is well within the orbit of the innermost planet, Mercury. It was discovered as recently as 1983, and may be the "missing link" between comets and asteroids: a comet that has lost all its gases.

DECEMBER DIARY (all times GMT)

3 Moon at last quarter 5.06am
10 New Moon 4.57pm
13 maximum of Geminid meteor shower
17 Moon at first quarter 9.31am
21 winter solstice 2.06pm
24 Full Moon 8.41pm

Heather Couper and Nigel Henbest

theoretically ...

"Like assembling a snowflake in a blast furnace" was how one scientist at the Fermi National Accelerator in Batavia, Illinois, described the process of making antimatter here on Earth. But the Fermilab last week made seven atoms of antihydrogen – a positron and an antiproton. That was first achieved in January by Europe's CERN, but the Fermilab hopes to go into mass production of antimatter.

Aspirin's wonder drug status has been further enhanced: it protects against nerve cell death. A team in Italy has reported in *Science* how giving it to rats, in the concentrations used to treat chronic muscle and joint inflammation, also prevents the neurotransmitter glutamate from killing neurons. That's on top of aspirin's ability to lessen the risk of strokes and heart attacks when taken over the long term. It's cheap, too.

Gene hunters are closing in on two more diseases. Millennium Pharmaceuticals of Cambridge, Massachusetts identified a gene that leads to type II diabetes, which makes up about 90 per cent of cases. Meanwhile a team at the National Center for Human Genome Research in Bethesda, Maryland, narrowed the search for a gene mutation implicated in 3 per cent of prostate cancers to part of chromosome 1. They now intend to pin down the exact location for the gene, which causes about one-third of hereditary prostate cancers.

Maize really is strange stuff, say a team who have studied its genome and found it to be full of genetic additions that could weaken, kill or drastically alter the plant's cells – but don't. The extra material resembles retroviruses – which insert their genetic material into that of the host (HIV is a well-known example). Some may be fragments of infectious retroviruses

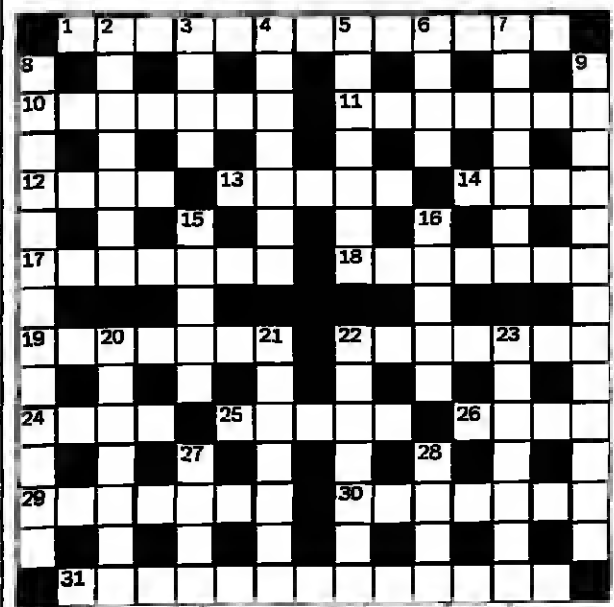
picked up in the plant's evolution. Maize somehow stops damage from the extra genetic material by keeping it away from active genes. The data could give genetic engineers a better blueprint to change maize plants, and perhaps help to develop more efficient techniques for human gene therapy.

Fish that change sex – yes, again. A British report two weeks ago said it was all the fault of natural oestrogen rather than chemicals from the Pill. Dutch scientists now say that chemicals in the environment are causing the trouble. Sylvia Gimeno and colleagues in Delft told *Nature* that they exposed young carp to TPP, a common industrial chemical. In common with another group of fish exposed to oestrogen, male fish developed an oviduct, which female fish use to lay eggs. The team suggested using their test to check the effects of other chemicals in the environment. What the fish think isn't clear.

THE INDEPENDENT CROSSWORD

No. 3153, Monday 25 November 1996

By Porcia



ACROSS
1 One who pays a flying visit (4,2,7)
10 Battle list to contain midshipman (7)
11 Different date lines retained one (7)
12 Chain letters (4)
13 Hard hit, being without money overall (5)
14 Choice of fruit (4)
17 A member of school's going on (2,5)

18 Account for no longer simple ending (7)
19 Wary of policeman (7)
22 Hard case (7)
24 Party long after leader departs (4)
25 Place of birth in Africa? (5)
26 Wrong about key evidence (4)
29 Common name for a girl, we're told (7)
30 Exercise papers finished (5-2)

31 Resolve to check country road first (1,3)

DOWN
2 One lot of money includes price of stamp (7)
3 Agreed a deal with fellow by the end of June (4)
4 Length of staff attendant gets (7)
5 French department's reached another way (7)
6 Avoid spending cash that's spare (4)
7 Monkey flower found in Indian coastal state (7)
8 It's barred for children at play (8,5)
9 Replaced not a single map of town (10,3)
15 Double over before second service (5)
16 Surf power in total's increased by a quarter (5)
20 Further loan (7)
21 Help set up weight plan (7)
22 Narrow ring on point of spiked device (7)
23 A skinhead in brawl with love poet (7)
27 Island's part of a risky enterprise (4)
28 Best root vegetable, it's said (4)

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